FBIS DAILY REPORT

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U.S. 'WARMONGERING' IN SOUTHWEST MEDITERRANEAN

LS041103 Tirana ATA in English 0920 GMT 4 Jan 86

[Text] Tirana, January 4 (ATA) -- According to reports of American TV network ABC, the American Administration has worked out plans to enhance the military presence in the Mediterranean. They point out that reinforcements will be concentrated in southwestern regions of the Mediterranean and they will serve the aim of Pentagon to strengthen its military control over this region where, as is known, there is also a considerable Soviet naval military presence.

Pentagon has planned to send B-52 strategic bombers to this region. The "Coral Sea" aircraft carrier escorted by a naval military strike group of the 6th fleet is heading towards this region. They will take part in the demonstration of force that will take place in the southwestern regions of the Mediterranean.

The above American warmongering actions are a new testimony to the exacerbation of the situation in this part of the Mediterranean and the Middle East.

USSR CONTINUES 'TREASON' OF NEOCOLONIALISM

AU021816 Tirana RRUGA E PARTISE in Albanian Issue No 11 Nov 85 pp 88-98

[Paskal Milo and Shaban Dervishi article "Relations Between the Soviet Union and the Eastern European Countries Have Neocolonialist Character"]

[Excerpts] The Khrushchevian treason to Marxist-Leninism and the total restoration of capitalism in the Soviet Union has created the political and socioeconomic conditions of that country's following of a chauvinist, neocolonialist and hegemonistic line in its international relations. The features of this policy in particular were manifested in its relations with the revisionist countries of Eastern Europe. The creation of such relations between former socialist countries is a new phenomenon in international relations.

The Khrushchevian clique used a variety of weapons and methods to subjugate, degenerate, and compel the communist countries of Eastern Europe to accept the revisionist course and the dictates of the party and revisionist Soviet state. The intrigues, the putsches, pressures and plots of the Khrushchevian clique toward these countries show the brutal Mafia-type character of the Khrushchevian policy in its relations with countries of the former peoples democracies.

The Soviet Union's achievements of its neocolonialist aims in the Eastern European countries could not be achieved without their superstructures' degeneration, without the creation of a "fifth column" in these countries. The Khrushchevian web was well tended in these countries. At the beginning the healthy Marxist-Leninist cadres were eliminated and replaced with others blindly obedient to the revisionist group of N. Khrushchev. With their negative character, with their mediocrity and antisocialism, they opened the road to Soviet neocolonialism.

Moscow's chauvinist concepts and experiences in its relations with the Eastern European countries are the enlargement and deepening of the great Russian policies and diktat within the multinational Soviet state. The Soviet revisionists justify such policies with slogans and aims of the so-called joint "socialist" interests that the social-imperialist Soviet Union has with the revisionist Eastern European countries.

They have publicized in various forms the elimination of borders and national and states limitations, under the mask of the people's free choice in their relations. The aims of these ill-reputed "theories" is to tie the hands and feet of the revisionist Eastern European countries, change them into vassal states as they already have, extinguish any national identity. Under the mask of solving the contradictions "between international requirements and national interests", the Soviet revisionists state that they should submit to international interests rather than those of national interests in the so-called "socialist community", which in effect means submit to the interests of the Soviet social imperialists.

Many facts show that the political relations between the Soviet Union and the so-called countries of the "socialist community" are relations of the latter's subjugation to the former. This does not exclude another characteristic aspect of these relations: the existence of contradictions between the Soviet social imperialists and the countries of Eastern Europe. These contradictions are not just "disobedient tendencies of various revisionist groups toward the peculiar political attitudes of the Soviet leadership, but marked nationalist and particularist manifestations," are part of "a hard struggle waged by everyone against all others in order to impose their own political solutions, their own national interests, and take away everything from others without giving anything in return" (Enver Hoxha, "Against Modern Revisionism", 1965-1967, page 617).

Concrete and typical expressions of disagreements and contradictions in the political arena between the Soviet Union and the revisionist countries of Eastern Europe are the events in Czechoslovakia of 1968 and those in Poland during the last few years. These contradictions are not only the result of external factors or manifestations of subjectivity and voluntarism, as the Soviet revisionists pretend, but are concrete manifestations of the essence of the relations between these countries where capitalist order has now been restored. True, the Western European countries, led by the United States of America, incite the disagreements and quarrels within the "socialist community," feed the separatist inclinations of the revisionist countries of Eastern Europe and entice them to get closer to the West. This external factor that nourishes the disagreements exists and is active, but it is not absolute. The source of the interrevisionist contradictions according to Comrade Enver Hoxha is "in the great treason by the revisionist cliques of Marxist-Leninism and the international communist movement." They rest on the treacherous line of the restoration of capitalism in the Soviet Union and in the other revisionist countries" (Enver Hoxha, "Against Modern Revisionism", 1965-1967, page 617). The deeper the revisionist cliques of these countries get into this treason, the greater are their contradictions and quarrels, until they reach such extremes as the occupation of Czechoslovakia. The dialectic of the revisionists demonstrates that between the Soviet Union and the Eastern European countries there will never be unity; on the contrary, the contradictions, quarrels and their centrifugal inclinations will become more and more pronounced.

The Soviet neocolonialist and superimperialist policy in relations with other countries of the "socialist community" is particularly manifested in the mechanism of plunder and economic exploitation, in the forms and methods of the neocolonial and social-imperialist expansion. When our party reached the conclusion that, under the pretext of cooperation and the international division of labor, the Soviet revisionists had imposed on these countries "a one-sided development, in conformity with the economy of the Soviet metropolis" and that "these countries depend on Moscow for everything, for machinery, raw materials, credit and markets, for their technical development and new technologies" (Enver Hoxha, "Against Modern Revisionism" 1971-1975, page 11), this was not a casual conclusion but the result of deep Marxist-Leninist scientific analysis of the entire system of economic relations of the social-imperialist Soviet Union and neocolonialists and the Eastern European countries.

The Soviet neocolonialism of the so-called "socialist community" has its own characteristics, its own ways and means that distinguish it from the classic imperialist colonialism and the imperialist neocolonialism of present day. The core of its neocolonialism is the same as the Western neocolonial system. The unusual merit of the AWP is that it was able to discover these characteristics, point out the forms and methods of Soviet neocolonialism, dressed up in the false clothing of the "proletarian internationalism", of "socialist integrity", of "cooperation" and of "international division of labor," could not cover its imperialist content.

Under the mask of "cooperation", the Eastern European countries are being plundered most unscrupulously. Thus, they are obliged to send to the Soviet Union not only their cheap manpower but also a variety of their industrial and agricultural products, from industrial machinery and equipment to fruits, vegetables and other agricultural products. For example, in the mid-seventies, the Soviet Union obtained, through supplies from Eastern Europe, 40 percent of its sea and river vessels, 26 percent of its railroad cars for passenger use, 1/3 of its sheet metal needs, 30 percent of its canned fruits, 2/3 of its tobacco need, and so forth.

In the name of its so-called "specialization," Moscow has dictated to CEMA one-sided economic development which is always in accordance with the requirements of the Soviet economy. To the Soviet revisionists i does not matter whether or not there are raw materials in other revisionist countries for the development of particular branches of industry. Moreover, the Soviets apply economic policies that create economic anomalies in their vassal states such as the discrepancy between raw materials sources and the increase of their production capacities. The aims of such a policy are very clear: Completely control the economy of these countries, keep in the hands of the Soviet social-imperialists the reigns of control. The deeper and deeper dependence of the CEMA members on Soviet raw materials, particularly oil and gas, is one of the characteristics of the neocolonial relations between the Soviet metropolis and the vassals of the "socialist community." The imports of oil and its byproducts from the Soviet Union by the Eastern European countries in 1981 were 1/3 of the total: 20 years earlier they were only 10 percent. (See "European Economic Bulletin" Vol 34, 1982, p 29)

The unequalled economic relations between the Soviet Union and CEMA countries are also manifested in their trade relations. These relations show no signs of any facts to support Moscow's propaganda claims of trade exchanges on equal terms between the master and its small partners. On the contrary, many facts prove the neocolonialist nature of their trade. Thus, for example, in 1981 there was a 15 percent increase of prices of export goods from the Soviet Union destined for Eastern Europe, while exports from these countries to the Soviet Union were increased by only 8 percent. Since 1975, the Eastern European countries have had a trade deficit of 5-9 percent in their trade relations with the Soviet Union. (See "Economic Bulletin for Europe", Vol 34, 1982, p 28 and 29).

The Soviet Union's main instrument of subjugation, exploitation, plunder and hegemonistic expansion into the Eastern European countries is CEMA. Our party saw the revisionist degenerating process of this organization in the Khrushchevian revisionist efforts to impose a one-sided development on our country. Thus, it fought and rejected it. The party has in the meantime used and analyzed this process in its uninterrupted development. "The so-called CEMA," Comrade Enver Hoxha has said, "in effect is an enslaving economic council, an instrument of the neocolonialist policies of the Soviet Union" (Enver Hoxha, **Works**, Vol 46, p 14).

Another source of friction between the Soviet Union and the Eastern European countries is the leaning of the latter in their approach and cooperation with the West. The Soviet social-imperialists are trying to obstruct this rapprochement, not because they are against ties with the West, but because they want to control East-West relations. The rhythms and size of these relations should be decided by Moscow without endangering its neocolonialist domination of the "socialist community."

Another aspect of Soviet policy toward the Eastern European countries is that of Soviet military dictates to them. The Soviet social-imperialists have used an entire arsenal to hold its political domination of the "socialist community" by violent force of arms.

On the military-political subjugation of the revisionist countries of Eastern Europe by the Soviet socialist-imperialists, a major role has been played by the aggressive organization of the Warsaw Pact. The AWP was the first to conclude that the Pact had been transformed from an organization in the defense of freedom, independence, and the socialist-victories in the countries of the people's democracies, to an instrument of pressure, diktat, and aggressions by the Soviet Union against them. Having established that after 1960 our party, with Comrade Enver Hoxha at the head, and our government, took the important historic political decision for the future of the socialist revolution not to participate in the activities of the Warsaw Pact and later on to pull out of it altogether, our party, from the beginning of the Pact's revisionist degeneration, anticipated its transformation to an instrument in the service of the evil Khrushchevian revisionist aims. Since 1965, Comrade Enver envisaged that the Soviet revisionists "would use" the Warsaw Pact "to preserve their military hegemony, control and observe their forces and the armaments of its partners, dominate with premediated aims," frighten with "some attack" its weaker, scared and "poorly armed" partners, and threaten possible joint intervention in case one of its partners so much as sneezed" (Enver Hoxha, "Against Modern Revisionism," 1965-1967, p 167-168). The barbarous aggression against Czechoslovakia attests to this.

"The socialist community," like Western Europe, is taking the role of "sacrificial lamb" in Europe's rivalry between the superpowers. Soviet medium-range SS-20 missiles and other sophisticated arms are deployed in the Eastern European revisionist countries to counterbalance the deployment of cruise and Pershing missiles in Western Europe. This important act was not the result of the people's free choice, but of the Kremlin's diktat, under the mask of the collegial decisions of the Political Consultative Committee of the Warsaw Pact.

The transformation of the revisionist countries of Eastern Europe by the Soviet social-imperialists into arsenals, has affected and affects their economic development decline, depriving them of considerable financial assets used instead for the frenzied military race and the arms development by the Soviet Union and the United States of America. This was acknowledged by Soviet revisionists when they declare that to achieve total military-strategic equality between NATO and the Warsaw Pact, between the United States and Soviet Union, "it requires new strength and means from the Soviet people and the people of the counires of 'the socialist community'" (MEZHDUNARODNAYA ZHIZN No 5, 1985, p 59). To have an idea of the deprivations suffered by these people for the arms race and the militaristic policies in general dictated by the Soviet social-imperialism, it is enough to mention the annual increase of 5-6 percent in military expenditures of the revisionist countries of Eastern Europe. During the years 1977-1981, the military expenditures of the Warsaw Pact members have increased by 26.8 percent. Certainly, such an exorbitant price, because of Soviet military diktat and its rivalry for hegemony with the United States, has created varied degrees of discontent and resistance in the Eastern European countries.

This opposition, though, is not heard in more than low-voiced protests, outside the halls of the meetings of the Political Consultative Committee of the Warsaw Pact.

PARTY DAILY RESTATES FOREIGN TRADE PRINCIPLES

AU030851 Tirana ATA in English 0800 GMT 3 Jan 86

["The Development of Trade Relation on Quality Basis -- a Principled Stand" -- ATA headline]

[Text] Tirana, January 3 (ATA) -- Socialist Albania is for and strives that the relations between all states no matter big or small, should be free from any kind of economic, political or military pressure and dictate and that they serve the economic, cultural and social development of these countries, the strengthening of the friendship between peoples and sovereign countries, the peace in the world, writes in an article the newspaper "ZERI I POPULLIT."

The principles on which Socialist Albania bases the development of its foreign trade were clearly stated at the 8th congress of the PLA.

In its relations with and stand towards other countries, our country has been guided by the Marxist-Leninist principles. It develops its diplomatic and trade relations with many countries of the world on the basis of principles of equality. The observation of the national sovereignty, the non-interference in the internal affairs and the mutual advantage. Our country never allows that these relations influence, in the slightest our Marxist-Leninist policy and ideology. Socialist Albania conducts no trade and maintains no relations with American imperialism, Soviet socialimperialism and fascist and racist countries.

Our socialist state uses the foreign trade as a means to uninterruptedly develop the productive forces, to strengthen economic independence and to meet ever better the economic needs, newspaper underlines. In this sense, foreign trade is indeed a functional branch of our economy. Nevertheless its development and the fulfilment of the needs of the extended reproduction in the PSR of Albania not fully realised self-reliantly, by making the best use of the internal material, financial and human resources. The Albanian economy has succeeded in balancing the export with the necessary import, without affecting the rates of the development of production and the living standard of the people.

Thanks to the consistent application of the principle of self-reliance, the socialist industrialization and the intensification of agriculture, the economic and reproducing potential of the country has been strengthened ceaselessy at the same time, over the past two decades the volume of the Albanian export has increased 1.1 times faster than the growth of the country's total social product. It has risen 5 fold in value, retaining higher growth rates than import growth, namely 1.4 times faster. These achievements have been recorded by satisfying ever better the needs of the country for national products.

'CONSERVATIVE' U.S. CIRCLES AGAINST DISARMAMENT

AU291759 Sofia RABOTNICHESKO DELO in Bulgarian 22 Dec 85 p 4

[Article by New York correspondent Georgi Todorchev: "How the Conservative Forces Maneuver"]

[Text] New York, 21 Dec -- Ruling U.S. circles are using three main approaches to the new Soviet disarmament initiatives. This "range" of basic reactions by Washington is founded on the nearly total obedience of the monopolized mass media for the manipulation of public opinion and contains the following elements, for example:

-- To conceal the true contents of the proposals, to resort to information "blackouts" and to continue the old policy of "business as usual;"

-- To belittle the Soviet initiative by all means and to "bury" news about it on the last pages of the newspapers, or to mention it selectively with a few words in the last portion of short radio or television newscasts, and to immediately add the label of "well-known" or "reworked proposals;"

-- To distort the essence, goal and dimension of the proposal or initiative in all commentaries, interviews, and statements, and to use all kinds of sophisticated arguments to arouse suspicion and distrust in such proposals and initiatives.

A mixture of such well-known tricks is used again today at the end of a very intensive political year. The Soviet Union proposed the establishment of a mutual moratorium on nuclear tests, to agree with the United States to certain on-the-spot control measures, seeking to eliminate possible doubts about the observation of this moratorium. While a considerable part of the U.S. press, according to the existing cliche, is concealing the news about the Soviet proposals, despite its obviously important political significance, Larry Speakes laconically declared that the U.S. Government will not join the Soviet moratorium, not even after 1 January 1986. Nuclear weapons tests are allegedly necessary for Washington to be sure the American nuclear arsenal will be reliable. Larry Speakes also insinuated that one cannot trust the Soveit Union to observe the moratorium.

So far, the lack of "control on the spot" was the formula used by the militarist circles to justify their refusal to join the Soviet proposal to ban nuclear tests. No doubt conservative circles in the United States are now irritated by the fact that their "beloved argument" is being taken from them. Now they are stubbornly trying not only to reject the most recent Soviet proposals, but to fan the campaign against the positive results achieved during the Geneva summit.

The circles around the Pentagon and the Arms Control and Disarmament Agency are chiefly behind this campaign. As THE WASHINGTON POST points out, a particular role was played in this respect by Richard Perle, assistant secretary of defense and special assistant to Caspar Weinberger. The third annual report of the U.S. President to Congress on how the USSR is adhering to the former treaties on armament control, is expected to be submitted within the next few days. This report is supposed to contain "a long introduction" in the spirit of the conservative insinuations about so-called "historical standard behavior of the USSR in violating the treaties," despite the fact that the report is not expected to point out any Soviet violations in this respect.

The forces which from the very beginning declared themselves against a Soviet-American dialogue in Geneva are now considering it particularly necessary to sabotage any practical progress in the spirit of the results of the summit meeting. Many conservatives are particularly fiercely attacking public opinion and expectations on the question of stopping nuclear arms tests, a necessary measure and a step toward freezing and subsequently limiting weapons. People in the United States are now involved in a "Christmas peace offensive" with the chief goal of influencing the administration to join the moratorium on nuclear tests. Arnold Alpert, one of the leaders of the New Hampshire campaign calling for freezing nuclear weapons, declared that most Americans are not acquainted with the Soviet moratorium and that the first task pursued by the antinuclear movement in promoting the "Christmas peace offensive" is to overcome the lack of information barrier affecting the people of a country, otherwise known as the "kingdom of information."

American newspapers today give an eloquent answer to the question why the United States refuses to ban nuclear tests. The papers are advertising forthcoming nuclear explosions on the firing grounds of Nevada, testing the potentials of the laser weapons in the "star wars" program. The explosions are allegedly necessary for creating new generations of nuclear and space weapons -- the core of the entire U.S. military program for superiority and for the opportunity of striking a devastating, first nuclear attack.

KUBADINSKI-LED DELEGATION RETURNS FROM INDIA

AU041725 Sofia Domestic Service in Bulgarian 1600 GMT 4 Jan 86

[Text] The Bulgarian delegation led by Comrade Pencho Kubadinski, chairman of the honorary committee on celebrating in Bulgaria the 100th anniversary of the founding of the Indian National Congress Party, has returned from India. The delegation took part in the celebrations marking the anniversary in India. Comrade Pencho Kubadinski was received by Rajiv Gandhi, Indian prime minister and chairman of the Indian National Congress Party.

REAGAN INTERVIEW CONTRADICTS PEACEFUL RHETORIC

LD031151 Prague Domestic Service in Czech and Slovak 1100 GMT 3 Jan 86

[Text] United States: The White House has published President Reagan's interview for NOTIMEX, which is a (?gross) attack against the USSR. This took place only 2 days after the President's New Year speech to the Soviet people, in which he expressed interest in the advancement of U.S.-Soviet relations.

Before his departure for Mexico he accused the USSR of allegedly wanting to install communist dictatorships in Central America. He described the activity of the USSR as malevolent and said that communism is an undesirable and alien ideology for the Americas.

Although Reagan's interview was published only now, the written answers had been ready for several days -- that is, after the Geneva meeting and prior to the New Year message to the Soviet peoples.

Reagan's speeches contradict each other. While in Geneva and on Soviet television he spoke about peace, good will, and hope for the New Year, in this interview he resumed slandering the USSR. This necessarily creates distrust in his sincerity and doubts about the determination of the United States to implement the results of Geneva in practice.

REAGAN CONTINUES ATTACKS ON USSR, NICARAGUA

LD042204 Prague Domestic Service in Czech 2030 GMT 4 Jan 86

[Text] The United States -- In his regular radio broadcast today, President Ronald Reagan sharply attacked the USSR and the Nicaraguan Government. He said that the answer to the problems facing Central America are allegedly political and economic freedom and not USSR tanks and ruthless regimes such as the communist dictatorship in Nicaragua. Referring to these totally false arguments, Ronald Reagan declared that the United States would therefore continue to support the Nicaraguan counterrevolutionaries. He totally ignored the fact that these so-called freedom fighters -- as he described them once again -- are spreading terror in the border areas of Nicaragua and slaughtering the civilian population. President Reagan devoted the largest part of his address to the results of his talks yesterday with Miguel de la Madrid, the Mexican president.

U.S. 'WASTED' OPPORTUNITY OF USSR TEST MORATORIUM

LD032103 Prague Domestic Service in Czech 1730 GMT 3 Jan 86

["Magazine Program" commentary by editor Alois Tomasek: "Wasted Opportunities"]

[Text] Disappointment and indignation are the prevailing sentiments which emerge from an assessment of the negative position adopted by the United States toward the Soviet proposal for a moratorium on nuclear weapons tests. This disappointment was made even more so because a spark of hope was still flickering up to the first day of the current year, a hope that political reasoning by the United States could not be so ruthless as to throw away the enormous opportunity offered to it by Soviet policy, placing the ruthless interests of its own people over those of mankind as a whole. Once again the interests of financial and industrial groups, the narrow egoism of the military-industrial complex blinded by the vision of billions of profits, and their unlimited power over the entire world have prevailed over reason.

Pity the wasted opportunity. It could have helped markedly to break the spiral of the arms buildup that has been going on for years, of seeking, testing, and subsequently producing ever more destructive weapons; a spiral which from the purely military viewpoint is totally senseless. After all, according to U.S. sources, existing weapons are capable of destroying all life on our planet 67 times over. Halting tests of new nuclear weapons would lead to halting the modernization of nuclear arsenals; and what is even more important, it would prevent the development of the so-called third generation weapons -- that is, of weapons such as x-rays, lasers, electro-magnetic guns, and the like. Thus attempts to upset the present balance of forces would be prevented, conditions would be created for a genuine and effective reduction in the number of nuclear warheads.

In his New Year message to the Soviet people President Reagan indicated that the United States still insists on its plan to build the so-called strategic defense in space, which according to the President is to rid the world of the threat of nuclear devastation. Many things indicate that he himself believes it, as the inventor of the machine-gun believed that any attacker would be wiped out by his weapon thereby making wars impossible. This belief is decidedly not being shared by his generals. For them the building of space stations, equipped with effective weapons, means, and I now quote "a direct, rapid, and reliable domination and control of all military forces" in a single world -- a worldwide domination. To achieve this end they must continue to test nuclear warheads so as to find a way of converting their energy into destructive radiation.

U.S. businessmen look at the matter purely from a commercial viewpoint, for whom the tests and the ensuing armament are simply an opportunity to achieve billions of profits; they do not want to waste this opportunity at any cost.

This is why the Soviet offer has been rejected. All claims about the impossibility of supervising to see whether the moratorium is really observed, claims about Soviet Union's superiority, to which the United States must catch up, and the like are merely camouflage for U.S. unwillingness to give up the possibility of being able to dictate to the world and thereby also to socialist countries.

The world could have been somewhat safer on 1 January. A grain of trust, which is now so rare in international relations, could have been once again put in the common treasure box. The struggle for mankind's security could have been somewhat easier. No such thing has happened. Despite this the struggle goes on. As Comrade Gustav Husak, the president of the republic, said in his New Year speech: We know that it will not be easy. It will still call for great struggle, for overcoming many obstacles. We are, however, convinced that the peace policy of the Soviet Union, the socialist community, the growing effort of the peace-loving and realistically thinking people in the world will make it possible to preserve peace both for the present and future generations. The historian will write into the pages of history: In 1985 the United States wasted a big opportunity to show that it truly meant its words about peace.

DEPUTY MINISTER ON CHINA-CSSR TRADE EXCHANGES

AU311206 Prague PRACE in Czech 27 Dec 85 pp 1, 3

[Interview with Doctor Jan Stracar, CSSR deputy minister of foreign trade, by PRACE staff journalist Miroslav Pavel: "What Sort of Trade Partner Is China?" -- date and place of interview not given]

[Text] [Pavel] In your view, why is China an attractive trade partner for us?

[Stracar] My opinion is that the CSSR and the PRC were good trade partners in the past, and they are again now. The possibilities for mutual economic cooperation are given by the dynamic development of the two economies, as well as by their mutually complementary structures. The recent numerous and intensive talks have made it possible to better learn to know mutual needs and possibilities. That also was positively projected in the documents signed [recently] which constitute the necessary trade, political, and legal framework for cooperation -- and I stress this -- on a longer-range basis.

[Pavel] Can the economic structure of Czechoslovakia, as a small although industrially developed country, and that of one of the largest states in the world, really complement each other?

[Stracar] Together with our Chinese partners we have discovered a wide scope for the so-called interbranch exchange of goods; that is, for the export of Czechoslovak engineering products and equipment, and the import of foodstuffs, raw materials, textiles, and other types of consumer goods from the PRC. The reconstruction and modernization of Chinese plants, among them those which we delivered to China decades ago, offer us great possibilities.

[Pavel] What specifically, will we trade?

[Stracar] Roughly 70 percent of our exports will be engineering products. The largest delivery is, without doubt, a thermal power plant with the capacity of twice 500 mw and valued at 500 million Swiss francs, which we will build in Shanxi Province. We will export Tatra and Liaz trucks, machine tools, textile machinery, gas works equipment, and an artificial fibers plant. Among the components of our exports also are some raw materials and semifinished products, for example rolled material and chemical products. In exchange for these, we will import goods we need and that are important for us. Among other things this includes 40,000 metric tons of rice annually, more than a quarter of our needs of cotton, wolfram concentrate, soya beans, cocoa butter and powder, bristles, horse hair, various kinds of skins, pig and sheep casings. Of great importance also are the imports of consumer goods. This year they will be worth more than 210 million Swiss francs. Involved for example, is cotton underwear for children, men, and women; knitted goods; mens shirts; summer and winter anoraks; rubber-textile footwear; canned fruit, vegetables, and meat; tea; beans; lentils -- 1,000 metric tons of them; various spices; china; office, school and sports equipment and utensils; and so forth.

Actually, this is the first time that such a volume of Chinese products has come to our market. If the Chinese supply organizations continue to adapt to the demands of Czechoslovak customers as regards fashion, structure, and technological-economic parameters, Chinese goods could become a contribution to our market in the coming years. In this I proceed from the fact that in view of the sale of our power plant to the PRC we will in the next 4 years contract for consumer goods for an additional 130 million Swiss francs.

[Pavel] Why are you talking about financial values in Swiss francs?

[Stracar] It is always up to the two partners in which currency to determine the value of the exchanged goods. With the CEMA members, mutual payments are billed in transferable rubles. With the PRC we agreed already many years ago, at the beginning of our trade relations, on the Swiss franc.

[Pavel] Businessmen of the whole world have already discovered the huge Chinese market, of course. Do you think that despite this we can also find our place in it?

[Stracar] Certainly. This is attested to by the interest of the Chinese partners in our machinery and equipment, which correspond to the technological and economic requirements of their national economy.

[Pavel] Reports have appeared in the press about possibilities of joint ventures with the PRC. Do we consider them too?

[Stracar] This is a very topical matter. Companies founded in the PRC on the basis of capital investment from abroad are involved. Their number is already considerable, and at the same time the valid regulations attract further interested parties. We are considering whether we, too, should not be among them. Czechoslovak-Chinese consultations had already been held on founding a joint enterprise in maritime transportation. After all, we had good experience in the fifties and sixties, when this form of cooperation ensured the transporation of a great quantity of goods. A joint venture could also be considered in beerbrewing, a sector in which we have already worked out several offers for the PRC. We could deliver brewery equipment and set up together a marketing network in Southeast Asia. Cooperation with Chinese companies is already under way in the construction of a greasing oils factory in Iraq. But, of course, I could name many more examples.

[Pavel] A new customer has emerged for production enterprises. How did economic personnel react?

[Stracar] Our trade negotiations were always held in close cooperation with production enterprises and sectors. The achieved results -- and I think I can say this also on behalf of my Chinese colleagues -- I can assess positively. The necessary thing, of course, is to ensure together with the exports of goods also various trade services, beginning with good service and technical centers all the way to conferences and seminars for users of our products. The intergovernmental commission for economic, trade, and scientific-technological cooperation, led for the Czechoslovak side by Minister of Foreign Trade B. Urban, and for the Chinese side by Qian Zhengying, minister of water conservancy and power industry, constitutes good organizational prerequisites for an even closer cooperation between production and foreign trade. All decisive sectors have their representatives in this commission.

JAKES STRESSES IMPORTANCE OF ADHERENCE TO PLAN

AU301501 Prague TRIBUNA in Czech No 51, 18 Dec 85 p 3

[Interview with Milos Jakes, member of the Presidium and secretary of the CPCZ Central Committee, by TRIBUNA staff journalist Karel Ryba: "With Optimism and Confidence"]

[Excerpts] [Ryba] The starting point for the 1986 plan is this year's plan, and not the actual results as used to be the case. Why?

[Jakes] This is to prevent speculating with the fulfillment of the plan this year with the objective of reducing the starting base for the 1986 plan, particularly as regards qualitative indexes. Such a matter would have a negative influence on achieving the planned rate of growth of production and, especially, national income in the Eighth 5-Year Plan. This, of course, does not mean that in individual, justified cases there could not occur certain adjustments in volume indexes, particularly where production might be involved whose sales are not ensured.

[Ryba] Issues connected with management and planning are being discussed in connection with the preparation of the Eighth 5-Year Plan. Are any changes contemplated?

[Jakes] The plan is and will remain the fundamental instrument of the socialist society's management. Through the plan we enlist and utilize all factors of production for satisfying the interests of society. Without central planning one could not ensure the necessary balance of the national economy's development and effectively overcome the isolation of sectors and local interests. Therefore it is important to respect the plan as the fundamental instrument of management.

The experience to date shows that the system of planned management must be further perfected. In this we will not employ various market concepts, but will further improve central planning, perfect economic instruments, and utilize value relations [hodnotove vztahy]. We expect to put the finishing touches to resolving the status and the roles of the individual levels of management, with an increase in the powers and responsibility of enterprises in the interest of the development of their initiative when it comes to satisfying society's needs.

LENART ATTENDS WORKERS CONFERENCE AT PLANT

LD042016 Prague Domestic Service in Czech and Slovak 1700 GMT 4 Jan 86

[Text] Members of the CPCZ and CPSL have gathered in many localities throughout the country today at works-wide, enterprise, and municipal conferences. A comprehensive analysis of the results of work in fulfilling the resolutions of the 16th CPCZ Congress and the CPSL congress and the setting out of further guidelines for raising the effectiveness of party work characterized today's conference of Communists in the Slovak Armature Works national enterprise in Myjava. Their works-wide conference was attended by Jozef Lenart, CPCZ Central Committee Presidium member and CPSL Central Committee first secretary.

From the report submitted to the conference, it arose that increasing demands on the enterprise's output at both home and abroad call for a better preparedness of economic plans, ensuring the innovation program, the modernization of both technological equipment and machinery, and other measures. Along with this, demands on the standard of the managerial, organizational, and educational work of Communists also are increasing.

In his speech, Jozef Lenart paid tribute to the enduring initiative of Myjava's Armature Work's employees. He singled out the contribution for society as a whole of the introduction of the latest discoveries of the electronics industry in the manufacture of valves, the direction of technological development, and the attainment of high technological standard of products, which, in their final result, are contributing to lowering material intensiveness and raising overall effectiveness and profitability of production.

PROTOCOL WITH ROMANIA FORESEES HIGHER TRADE LEVEL

AU292001 Prague RUDE PRAVO in Czech 21 Dec 85 p 2

[Text] Prague (CTK) -- Trade-political deliberations conducted by a CSSR and a Romanian delegation on mutual trade in 1986 ended in Prague on Friday [20 December].

A protocol on the exchange of goods and payments was signid for the Czechoslovak side by Alois Hloch, deputy minister of foreign trade, and for the Romanian side by Constantin Stanciu, deputy minister of foreign trade and international economic cooperation. Cornel Panzaru, ambassador of the SR of Romania to the CSSR, also attended the signing of the protocol.

The protocol proceeds from the long-term trade agreement for the 1986-90 period and expects the mutual trade to increase by roughly 8 percent next year, compared with the anticipated result of this year. The agreed-upon mutual deliveries include, above all, products of the engineering and electrotechnical industry. The mutual deliveries of basic raw materials and chemical products, but also the traditional deliveries of vegetables, fruit, and textile products from the SR of Romania to the CSSR will continue.

SEVENTEEN DISSIDENTS REPORTED IMPRISONED

AU031324 Paris AFP in English 1316 GMT 3 Jan 86

[Text] Prague, Jan 3 (AFP) -- Seventeen Czechoslovak dissidents are in detention and another five under house arrest for political or religious reasons, according to a report by VONS, the committee for the defence of people wrongfully persecuted.

According to VONS end of the year report, seven Catholic militants were being held for incitement to revolt against the state or the illegal import of religious literature.

The report also said thar 30 others faced court proceedings, 19 of them priests or religious activists.

Seven were being prosecuted for belonging to a banned religious order, six Franciscans, two of them nuns, and one Jesuit.

Among the prople under house arrest are Ladislav Lis, 59, former communist youth leader and former spokesman for the leading dissident group Charter 77.

FRG, ITALY FURNISH AUTOMATED ASSEMBLY LINES

AU301449 Prague RUDE PRAVO in Czech 21 Dec 85 p 2

[CTK report]

[Text] Bratislava (CTK) -- A contract for the delivery of technological assembly lines for welding car bodies valued at Kcs500,000 was signed on Friday [20 December] by representatives of the Amnia foreign trade organization, the West German Kuka company, and the Italian Fata company. According to the contract, Omnia's West German partners will deliver to Czechoslovakia at the end of the next year and in 1987 a total of 6 fully automated assembly lines for welding the chassis and sice panels of passenger automobiles.

Involved are vital technological assembly lines for the production of the new passenger car model S 781 in the AZNP enterprise in Mlasa Boleslav. These fully automated assembly lines will make it possible to substantially shorten innovation cycles. The ANZP in Mlasa Boleslav expects from the new technology in particular an allaround improvement in the quality of its products.

ERICH HONECKER DELIVERS NEW YEAR MESSAGE

LD301530 East Berlin ADN International Service in German 1213 GMT 30 Dec 85

[New Year message by Erich Honecker]

[Text] Berlin, 30 Dec (ADN) -- Best wishes for peace, happiness and well-being in the New Year, from Erich Honecker, general secretary of the SED Central Committee and chairman of the Council of State of the GDR.

The last hours of the old year have begun, and a new year is at the door. On this occasion I convey my warmest greetings to all citizens of the GDR and send them my best wishes for health, happiness, success, and for personal well-being.

May there be success in 1986 in coming a bit closer to the noble goal of a secure world peace, and may our socialist fatherland develop further beneficially, thanks to the diligence and creativity of our people. If everybody works toward this, then, it is my firm conviction that we will be in a position together to master the future and the not always easy tasks life imposes on us.

At this turn of the year, eyes are directed above all to the 11th SED Congress, which will take place in 3 and 1/2 months. This congress will discuss and decide on the further shaping of the developed socialist society. Preparation for the congress has characterized the atmosphere in the whole country for a long time. Workers are approaching it with high performances aimed at the strengthening of socialism, and are thus demonstrating that our main task of unifying economic and social policy, the good results of which can be felt everywhere in life accords most deeply with their interests. At the same time, these performances are the most effective contribution toward the struggle for the preservation of peace. From the knowledge of this there arises a powerful impulse for daily activities in the most varied areas of society.

It became impressively clear earlier, precisely during the SED party elections, that the party and people are now linked by an even closer relationship of trust. In this lies a source of justified confidence for us all.

We are now concluding 1985. Although there is still quite a lot to be done, the balance sheet is something to be proud of. The politically stable, economically dynamic development of the GDR has continued in an upward direction. The material and cultural standard of living of the people has been secured and further improved. Not many countries have been able to continuously realize such high rates of economic growth. Our people have accomplished great creative work in achieving this. We are striving in the socialist competition for our best performances to become lasting performances. In the preparations for the 11th SED Congress we made decisions at the right time on the application of the key technologies with which we are opening the door to high growth with further increases in labor productivity. All this is fully in accord with the complex program for scientific-technological progress of the CEMA member-countries up to the year 2000, which serves the aim of combining the advantages of socialism with the achievements of the scientific-technological revolution.

Important steps have been taken to integrate science and production even more closely, and to further expand the unified socialist education system. It is clearly evident how science, technology, and the economy are being advanced for the good of our people. If one thinks of the mass unemployment and dismantling of social welfare even in the most economically powerful capitalist states, then the importance of this fact can be gauged all the more. Only socialism is in the position to transform high economic performances into social results which serve people. In education and culture, too, the positive results in our country are visible to everybody. What the people produce by work, benefits the people. With justification the people of our country feel joy, satisfaction and pride at that which has been attained together and which often demanded hard exertions. We have created fundamental preconditions for the continuation of this course.

In 1985 we solemnly marked the 40th anniversary of the victory over Hitlerite fascism and the liberation of the German people. Paying tribute to this event of world importance, we honored the heroes of the Soviet Union and all those who fought in the anti-Hitler coalition and on the fronts of antifascist resistance for a new, happy future for the peoples. Under the influence of this anniversary, a great initiative developed in a broad mass movement to further strengthen the GDR and to defend peace. In this, we reiterated that our friendship with the Soviet Union is forever indestructible. At its side, firmly established in the community of the fraternal countries, the GDR will continue to reliably do justice to its international responsibility as a cornerstone of socialism and peace in Europe.

It was of great importance for our alliance in the Warsaw Pact and its international influence that in April the participating states extended the validity of its treaty foundations for another 20 years. This alliance is daily proving itself anew in the reliable protection of the achievements of socialism and in our struggle for a stable peace, detente, and disarmament.

Has the world situation, with all the tensions arousing concern which now burden it, changed positively during 1985? Not yet, unfortunately, but important progress in this direction was indeed achieved, which encourages every person who holds dear a peaceful future for the peoples. The U.S. "star wars" program to transform the heavens into a forecourt of hell, whereby the arms race threatens to be moved into new, unforeseeable dimensions, has provoked a revolt of world conscience such as has not been known before. In all languages, whether in east of west, north or south, the call to put an end to this madness, to stop the spiral of armaments on earth, and to prevent a militarization of space is resounding increasingly powerfully and resolutely.

The GDR, in the year which is nearing its end, has acted with all resources at its disposal to ensure that the danger of a nuclear inferno will be banished, and it will not ease up in this. It is our endeavor to contribute actively toward the coming togeth r of those in the world who follow reason and realism, who prefer cooperation to confrontation, and disarmament to the arms buildup. For this purpose, I, as well as other members of our party and state leadership, met for a businesslike dialogue with a number of politicians from the nonaligned countries and the NATO countries. It was thus possible to explain the constructive peace proposals of the Soviet Union, our republic, and the other countries of our socialist community, and to counteract the intentions of those who want to pile up more and more, and newer and newer weapons, although this does not bring more security, but less, as has been proved.

The summit meeting between Mikhail Gorbachev and Ronald Reagan in Geneva was of international importance. Admittedly, the results do not correspond to all expectations, as our party Central Committee noted at its 11th meeting, but they are, however, to be regarded as encouraging and, as such, positive. We hope that the start which was made there will have a favorable effect on resolving the main issues of averting a nuclear inferno and safeguarding peace, stopping the arms race and not extending it into space. Mikhail Gorbachev and the representatives of the Soviet Union in Geneva performed work in this spirit, which is to be highly rated. The foundations were created for further negotiations on the decisive questions of war and peace and, at the same, agreements were made which serve the goal of the welcome development of relations between the Soviet Union and the United States. Now, most of all, as our Central Committee stressed, it is important to fight for peace, and this conclusion meets with the broadest approval throughout our country, as the echo shows.

Before, during, and after Geneva it became impressively clear that the Sofia proposals of the Warsaw Pact, our coordinated program for removing the nuclear danger, and for a change for the better in Europe and the world, have become an important factor in the struggle for peace. We are in favor of limiting and reducing armaments according to the principles of equality and mutual security, the reduction and removal of nuclear weapons arsenals generally. We consider it useful and call for the creation of nuclear-free zones, whether in central or northern Europe, the Balkans or the Pacific. Mankind must live without the threat of an all-destroying nuclear war. Likewise, conventional wars cannot solve international disputes; this is possible only by way of negotiations.

Wholly in this spirit, the governments of the GDR and the CSSR submitted a proposal to the FRG Government to start negotiations on a zone in central Europe free of chemical weapons. It would be desirable if Bonn were to reconsider its current attitude and contribute to a regional solution, which could be achieved more easily than a global one, and which would at the same time promote an international ban of chemical weapons.

Assessing everything, much of value for the GDR has been added to the credit side which will benefit the people, the consolidation and strengthening of the socialist community of states, and which is of importance for the cause of peace. Therefore it is my desire to express to everyone in our republic the cordial thanks of the party and state leadership, to all who have made this possible through their work, their achievements, which often went beyond the normal extent, and their involvement in various social areas. Our thanks go to the working class, the cooperative farmers, the scientists and artists, the members of the National People's Army, as well as the protection and security organs, the veterans, the young, women, sportsmen, and all workers.

Internal development of our country in 1985 can, with complete justification, be considered especially successful. Many facts could be cited. Last year we concluded a 5-year plan and laid reliable foundations for the next one. Circumspect, far-reaching initiatives emerged during the preparations for the 11th party congress from which a broad popular movement grew. The alliance of the parties and mass organizations, united in the National Front, has once again proved itself and developed further; all the partners made their own contributions. Suffice it to cite the strong activities of our trade unions in the socialist competition. In this connection the 12th FDJ Parliament deserves mention; our socialist youth organization adopted exacting targets which it has since been consistently realizing.

Thus, 1985 was a good and successful year, marked by great progress in all important areas of everyday life. In an atmosphere of firm solidarity of party and people much was tackled through diligence and quality work. If we look at the economy this is summarized by the fact that the national income rose by over 4.5 percent compared with the previous year. The main proportion in this was accounted for by socialist industry, whose net production rose by about 9 percent, to a large extent due to a rise in productivity. Once again the performance increase was achieved with diminishing unit production inputs. One could cite impressive economic data. Mention must be made of our biggest harvest ever. In 1985 we achieved a total of 11.6 million metric tons of grain and a hectare yield of 46 metric decitons.

The annual balance sheet shows how consistently the course of the main task, in its unity of economic and social policy, was pursued. How better to exemplify this than by the fact that in 1985 once again over 200,000 homes were newly built or modernized. Anyone walking through our towns and villages can see for himself that our housing construction program is making progress and that it is being realized more and more imaginatively. Much was done to increase the range of new consumer goods, while our efforts in this important area are being developed. Education, health care, support for mother and child -- all lines of our social policy were continued.

Many new things were created and many results were achieved which some may not have thought possible. Even difficult, often unexpectedly arising problems were mastered. Apart from exemplary and pleasing matters there were some which are not yet in order, and which therefore have to be resolved. Experience has shown that wherever a frank word is spoken and matters are discussed and tackled jointly with the citizens, those matters which can be solved will be solved.

At the turn of the year we can justly note that the results achieved are an expression of our long-term economic strategy. With its consistent realization the change toward comprehensive intensification was carried out, the markers of which are high rates of productivity increases, and steep falls in unit energy, raw material and material inputs. They characterize lastingly our economic development, for we are doing everything in order to introduce still more new products into manufacture and to comprehensively apply modern technology. Already key technologies have been introduced in production. We have fundamentally accelerated development in various areas, especially as far as the production and use of modern computer technology is concerned. Only in this way can productivity rise as quickly as is necessary for strengthening the GDR, its reliable protection, and the steady improvement of the lives of its citizens.

These qualitative sides of our economic development are also characterized by the tasks we have set ourselves for 1986. Thus we will steadily continue our policy which aims at high economic growth and rising social results for the people. Our proven socialist planned economy, with its backbone of the combines, and the intellectual potential of our country justify the conclusion that we can successfully wage the fight for leading international positions in important areas. We will therefore keep up with the dynamic development of international productive forces and accelerate our pace.

We shall take qualitatively new steps in 1986, the year of the 11th SED Congress.

Nobody has to rely solely on his imagination when he visualizes how the scientific-technological revolution will continue to be accomplished under socialist conditions. Precisely in the congress initiatives, the best combines, enterprises, and scientific institutions are, for example, carrying out projects for computer-aided planning and production preparation and complex automation solutions connected with industrial robots. It is no longer individual examples, but the transition to the broad use of the newest technology, especially on the basis of the constrruction of our own rationalization equipment, strengthened qualitatively by microelectronics, which characterizes the course. The contours for the next 5 years and, beyond that, up to the turn of the millennium have already been sketched out in this way. The research institutions of the academy and the higher education sector are linking up even more closely with the combines. Education and higher education are developing in an up-to-date manner. The economy and science are developing closer and closer reciprocal links. They are more and more becoming a strong potential which is bringing forth rising economic performances and making possible a growing material and clutural standard of living for the people.

There are many challenges for our whole society, for the combines and enterprises as well as for the individual, to deal with along this course. Precisely when such changes come about, the attention paid to the person, his capabilities, interests and needs, his education, his considerations and proposals must be particularly great. Whatever opportunities the level of science offers, it is primarily the commitment of the workers, their inventiveness, their qualifications and experience which decide how successfully they are used. It is becoming particularly clear, precisely during the preparations for the 11th congress, how highly modern technology is being introduced not over the heads of the working people, but with them. As a result, there is a stronger flow of the resources which, for example, are advancing the solution of the housing issue as a social problem by 1990. The supply of high-value consumer goods will continue to grow. Instead of the destruction of jobs, as in the capitalist countries, there is the improvement of working conditions for tens of thousands, and instead of new poverty there is the constant expansion of the feeling of security in society. In these processes, and with a promising future, too, the superiority of real socialism is proving to be clearly recognizable in our country.

The GDR is mastering these vital processes in the community of the fraternal socialist countries. Above all, the close cooperation with the Soviet Union is a decisive guarantee for mobilizing those forces which are necessary for attaining scientific and technological performances, which are first-rate by international standards as well, in important sectors. The GDR has entered into programs for cooperation in science, technology, and production, which extend up to the year 2000, with the country of Lenin and with other fraternal socialist countires. In these, the central aim is always to develop and use the most modern processes and products. This cooperation will benefit all partner countries much more deeply than ever before and, at the same time, increase the power of socialism as a whole and its influence on the course of events in the world.

Whichever of the varied activities of our republic during 1985 one takes, the most important thing for us was to contribute actively toward ensuring that a nuclear inferno will be prevented and peace maintained. We desire peace on earth and in space, for only then can humanity shape its existence in a manner which is truly fit for human beings, and only then can the peoples realize the goals which serve their material and cultural well-being. Cooperation, despite differing social orders, alliance systems, ideologies, and religions is necessary and, in our firm conviction, it is also possible.

Whether we like each other or not, we have to live together on this planet. Mikhail Gorbachev rightly described it at the summit in Geneva and just recently to the American-Soviet Economic and Trade Council as the most important task of all to master the art of living with one another. Since this, he said, applies for a long time, we must learn to do this in a humane and civilized manner.

Prudent, persistent and resolute efforts are, without doubt, necessary in order to make use of the results of the Geneva summit. Here, the readiness and the ability to approach one another and to reach agreements on a mutually acceptable basis, founded on equal rights, play an important part in the solution of the issues of war and peace which face us. Reason and realism acquire the highest status in view of the dangers resulting from nuclear arms, in particular the U.S. "star wars" program. The ending of the arms race on earth and its nonextension into space are in accordance with the vital interests of humanity.

We fully and completely support the Soviet Union's proposal, which remains in force, to reduce by 50 percent those nuclear weapons of both sides that can reach the territory of the other connected with a ban on offensive space weapons in the event of the renunciation of SDI [Strategic Defence Initiative] by the United States. The same applies to the Soviet initiative to conclude a separate agreement on medium-range weapons in Europe. These proposals form a good foundation for mutually acceptable solutions. The readiness of the USSR to extend the moratorium on all nuclear explosions unilaterally introduced by it and reiterated by Mikhail Gorbachev, if the United States also declares itself ready for such a moratorium, meets with our full support.

One cannot underestimate the importance of the remark in the joint statement by Mikhail Gorbachev and Ronald Reagan after the Geneva summit to the effect that it is important to prevent any war between the Soviet Union and the United States, whether nuclear or conventional, and to renounce the acquisition of military superiority. The USSR has always been guided by this view in its practical policy, and it is hoped that the United States will also let the remarks of their President in Geneva be followed by appropriate deeds. The striving for military superiority is not only dangerous but senseless. The cardinal issue is to guarantee the military balance at an ever lower level of weapons. The U.S. project to stuff outer space full of weapons is also in direct contradiction to this. Apart from the fact that no scientist taking work seriously -- even in the United States -- believes that an effective 'space shield' can be put up. Offensive weapons in space are extremely dangerous weapons. Their arrival would lead to a destabilization of the strategic balance; but it is precisely the strengthening of the strategic balance which is urgently required.

Europe has experienced two world wars this century with their bloody sacrifices and dreadful destruction, and for this reason it is especially obliged to do everything to avert a third war, and a nuclear war, which would be the self-annihilation of humanity. The GDR also sees its responsibility in this light and will always be found on the side of those who advocate peaceful, secure prospects for our continent with all their strength. Above all, we are doing our bit to ensure that never again will war emanate from German soil. We expect the FRG to act likewise and dispense with decisions that lead to new burdens on the international situation, which is already tense. The safeguarding of peace is also the determining issue in relations between the two German states. The GDR will bear this in mind in everything it undertakes in the development of its relations with the FRG. This corresponds both to the spirit and the letter of the Basic Treaty.

On the threshold of the new year, we can look ahead to the future in awareness of important successes in the strengthening of socialism and of the first German workers' and peasants' state in the center of Europe and with confidence. It is already clear today that we can tackle the implementation of the resolutions which the 11th congress will pass, on the basis of stable and reliable starting positions. The party, government, and people are closely linked with each other. We are continuing our tried and tested course supported by the creativity, diligence, and readiness for work of millions. Socialism and peace are the guiding stars of our activity for the well-being of the people.

DEFENSE MINISTER SPEAKS AT FLEISSNER'S FUNERAL

LD031305 East Berlin ADN International Service in German 1040 GMT 3 Jan 86

[Text] Berlin, 3 Jan (ADN) -- Relatives and comrades-in-arms paid their last respects today to the deceased Colonel General Werner Fleissner, GDR deputy minister of national defense and chief of the Technology and Weaponry Main Administration. In a funeral service staged by the Ministry of National Defense in Berlin, family members, Minister of National Defense Army General Heinz Kessler, other public figures including generals and officers of the National People's Army, the GDR defense and security organs, and the fraternal armies took their leave of the dear departed.

Army General Heinz Kessler praised the services of the communist Werner Fleissner in the all-round strengthening of socialism in the GDR, the reliable defense of its achievements and peace preservation. He applied all his political and military skills, knowledge and experience in the National People's Army. The deepening of the class and weapons alliance with the Soviet Army and the other fraternal armies was always a matter dear to his heart. In this spirit he is a lasting model to all members of the Army.

IRAQI DELEGATION ARRIVES FOR COOPERATION TALKS

LD060603 East Berlin Voice of GDR Domestic Service in German 2300 GMT 5 Jan 86

[Text] An Iraqi delegation headed by Tariq Hamid al-'Abdallah, minister for light industries, arrived in the GDR on Sunday, [5 January]. It will take part in a meeting of the joint committee for economic, scientific and technical cooperation. Council of Minister Deputy Chairman Guenther Kleiber welcomed the Iraqi guests at the airport. Both sides praised the high level of economic relations. They expressed the expectation that the forthcoming conference would contribute to the further expansion of cooperation between their countries.

MORE ON SCHUERER MEETING WITH EGYPTIAN OFFICIAL

AU292025 East Berlin NEUES DEUTSCHLAND in German 20 Dec 85 p 2

[Text] East Berlin (ADN) -- On Thursday [18 December] Gerhard Schuerer, deputy chairman of the Council of Ministers and chairman of the GDR State Planning Commission, received Dr Kamal Ahmad al-Janzuri, minister of planning and international cooperation of the Arab Republic of Egypt.

During the exchange of opinions the favorable development of economic relations between the two states was stressed. The achieved level constitutes a solid basis for further dynamic development of economic cooperation over the next years.

Gerhard Schuerer and Dr Kamal Ahmed al-Ranzuri emphasized that the long-term shaping of this process according to plan is of decisive importance for the stability of the economic relations. An important contribution could be made to this by close cooperation between the central planning organs of both countries.

During the talk, which took place in a friendly and open-minded atmosphere, it was concurrently stressed that the results of the Geneva summit meeting between Mikhail Gorbachev and Ronald Reagan are suitable for creating the necessary basis of trust for solving the still existing problems. Gerhard Schuerer underscored that there is still the basic question of averting a nuclear inferno and safeguarding peace by halting the arms race on earth and preventing its expansion to space. After the Geneva summit every effort must be made to make progress by means of agreements and to make peace more secure. A change for the better in international relations would also have a positive effect on economic cooperation between countries with different social systems.

The talk was attended by Dr Kurt Singhuber, minister of ore mining, metallurgy and potash, and Dr Mahmud 'Abd-al-Muniem al-Murtada, charge d'affaires of the Arab Republic of Egypt to the GDR.

KROLIKOWSKI MEETS POLISH LABOR MINISTER

AU292013 East Berlin NEUES DEUTSCHLAND in German 20 Dec 85 p 2

[Excerpt] East Berlin (ADN) -- On Thursday [10 December] Werner Krolikowski, member of the SED Central Committee Politburo and first deputy chairman of the Council of Ministers, received Stanislaw Gebala, PPR minister of labor, wages and social affairs, for a friendly talk.

The interlocutors expressed their satisfaction about the high level achieved in the fraternal relations between the two neighboring socialist countries. The most recent meeting between Erich Honecker and Wojciech Jaruzelski and the "Long-Term Program of the Development of Cooperation Between the GDR and the PPR in the Fields of Science, Technology, and Production for the Period up to the Year 2000" signed by them is of particular importance for the two fraternal countries. At the same time the program constitutes a contribution to implementing the decisions of the economic talks of the CEMA member-countries at the highest level, the two politicians stated.

POLITBURO MEMBERS ATTEND PIECK COMMEMORATION

LD031124 East Berlin Voice of GDR Domestic Service in German 0900 GMT 3 Jan 86

[Text] The citizens of the GDR today remember the 110th anniversary of the birth of Wilhelm Pieck, their first president. At his last resting place in Berlin-Friedrichsfelde, members of the party and state leadership honored the unforgotten workers' leader with a solemn wreath-laying ceremony. Those present included Horst Sindermann, Egon Krenz, Werner Krolikowski, Guenter Schabowski, and Inge Lange and others. A long procession of Berliners joined them, among them workers from firms, schools and other institutions that bear the name of Wilhelm Pieck.

He had striven for more than 65 years in the cause of peace and socialism. Wilhelm Pieck worked side by side with Karl Liebkhnecht and Ernst Thaelmann, stood at the head of the Communist Party of Germany, was chairman of the SED, and represented the first workers' and peasants' state on German soil.

TISCH, HAGER PAY SOJOURN TO BERLIN ENTERPRISES

LD031527 East Berlin Voice of GDR Domestic Service in German 1300 GMT 3 Jan 86

[Excerpt] A visit by FDGB Chairman Harry Tisch to the VEB Elektrokohle, Berlin-Lichtenberg, again made it clear today that technological progress is always inextricably linked to improved labor conditions in the GDR. Workers, foremen, and engineers reported that they intended to achieve 90 percent of the increase in performance planned for 1986 through scientific and technological measures. At the same time work hazards would be reduced. Harry Tisch pointed out that in the application of key technologies particular attention is paid to man, his abilities, interests, needs and education.

In the art foundry of the publicly owned Lauchhammer heavy engineering enterprise, Kurt Hager, Politburo member and secretary of the SED Central Committee, was briefed on the progress of work on the Marx-Engels sculpture. To mark the 11th congress, the large bronze sculpture is to be unveiled at the reconstructed Marx-Engels forum in Berlin.

HONECKER GREETS ALGERIAN FLN PARTY CONGRESS

AU291927 East Berlin NEUES DEUTSCHLAND in German 24 Dec 85 p 2

[Text] Berlin (ADN) -- The SED Central Committee has addressed the following congratulatory telegram, signed by its General Secretary Erich Honecker, to the delegates to the extraordinary party congress of the National Liberation Front (FLN) Party of Algeria:

The SED Central Committee extends most cordial greetings to your extraordinary party congress.

The FLN Party has earned historic merits in achieving Algeria's national independence and in overcoming its colonial heritage. On the basis of the National Charter, it is undertaking great efforts for the further political, economic, and social development of the Democratic and Popular Republic of Algeria.

Our two parties are united by the aspiration to international relations that are based on equal rights, by the struggle against neocolonialism and racism and against the policy of arms build up and confrontation pursued by the most aggressive imperialist quarters. It is on this basis that comprehensive cooperation has developed between our parties, states and peoples, to the further continuous deepening of which we attach great importance.

We wish a successful course to your significant deliberations for the benefit of the friendly Algerian people.

ISTVAN HORVATH DEPARTS ON VISIT TO USSR

LD 61025 Budapest Domestic Service in Hungarian 0900 GMT 6 86

[Text] Istvan Horvath has left for the Soviet Union. The Central Committee secretary has been invited by the Central Committee of the Soviet fraternal party. Istvan Horvath was seen off at Ferihegy Airport by Boris Stukhalin, Soviet ambassador to Hungary.

OFFICIAL DISCUSSES FOREIGN ROLE IN DAM PROJECT

AU301442 Budapest NEPSZABADSAG in Hungarian 24 Dec 85 p 6

[Interview with Peter Havas, general mamager of the State Development Bank, by correspondent signed Sz.L.: "Foreign Participation in the Construction of the Bos-Nagymaros Water Dam System"; date and place not given; first paragraph is paper's introduction]

[Text] In connection with the construction of the Bos-Nagymaros river dam and its financial provisions we asked Peter Havas, general dirctor of the State Development Bank and the Hungarian Government representative of the joint CSSR-Hungarian Bos-Nagymaros river dam system to inform our readers about the foreign participation talks.

[Sz.L] Why so we involve foreign enterprises in the project?

[Havas] The construction of a river dam system on the Danube is a big project not only in its size but also from a professional standpoint. Moreover, it is not practical to develop capacities which will not be needed later. We must avoid paying large amounts because of a lack of experience. We must also preserve the environment by reducing construction time and by more skillful construction. An even more important task than these is to spread our investment burdens connected with the project over a longer time.

As is well known, Hungary and the CSSR signed the agreement on the construction of the Bos-Nagymaros river dam system -- that is, the construction of the two reservoirs and the two power plants -- in 1977, and the work had already started in 1978. A part of the work that was to be carried out by us was done by CSSR enterprises between 1978 and 1982. We will pay them for this work after 1990.

The construction of the dam at Dunakiliti started a few months ago. Following the study of several proposals, the foundation work of this dam -- which requires special technology and water proofing procedures -- is being carried out by Austrian enterprises. The superstructure and the engineering work is done by Hungarian enterprises, but some Austrian participation will also be used in the latter. The work is being carried out within the framework of a long-term credit.

The so-called afterbay under the Bos river dam is being dug by Hungarian enterprises. Our capacities, however, are not up to the amount of sand that must be excavated for the construction of the headwater channel dam. We will not need such great assistance in the future. Therefore, we published an international bid which will be decided in the neat future. The proposals made by the Yugoslav and Dutch enterprises are the most favorable ones. A decision has not yet been made, but the one who wins the bid must begin work during the course of next year.

The greatest project we will construct is the Nagymaros river dam and power station and all the other investment projects connected with this. Following the harmonization among the competent heads of the two governments, the National Water Management Investment Enterprise, the Hungarian Electricity Works Trust, and the State Development Bank, as well as the Austrian Danube Power Corporation, the Austrian Power Corporation, and the Austrian Kontrollbank reached a preliminary agreement on cooperation in the construction of the Nagymaros river dam and on the financial conditions for the project in November. The managing councils of the Austrian enterprises confirmed this agreement last week.

According to this agreement, the Austrian Donaukaftwerke AG will build the river dam as primary contractor in collaboration with the enterprises of the two countries within 33 months. The proportion of the Hungarian enterprises' participation in this project is 30 percent. The Hungarian enterprises can also win bids for transport, construction, and engineering works. The first generator will be put into operation on 31 March 1992 and this will be followed every 2 months by five other units. The Austrian enterprise has great experience in the construction of river dam projects on the Danube. This means that the construction work will distrub the environment as little as possible.

According to the conditions of this agreement, if the competent state authorities approve it, we will sign the detailed contract in March next year.

[Sz.L.] How do we pay the Austrians for their work?

[Havas] We will pay the Austrian contribution to the construction of the Nagymaros power station with a part of the electric energy due us from the amount of electric energy the station will produce by 1992. The payments will commence in 1996. A high capacity electricity network connection will be established between Hungary and Austria for this purpose. The conditions of the preliminary agreement signed are favorable for both countries.

[Sz.L.] How do you plan to ensure that the Nagymaros establishment does not adversely affect the surrounding environment?

[Havas] In order to ensure a harmonic adjustment of the Nagymaros river dam with the surrounding environment, we published a bid for proposals, the evaluation of which has just been concluded. The planners worked out solutions that make sure that not only the river bank area but also the dam itself will blend into the scenery of the Dunakanyar area.

Prior to the construction of the Bos-Nagymaros river dam, water-purifying plants continue to be built both in Hungary and the CSSR, and this will lead to a considerable reduction in pollution of the Danube river.

After the Bos generator goes into operation in 1990, the further construction of the river dam makes it possible for the Danube hydroelectric power stations to contribute to fulfilling the country's energy demand with ever-increasing amounts of electrical energy.

TEXTILE INDUSTRY TRADE UNION CONGRESS OPENS

Mrs Istvan Martos' Address

LD041355 Budapest Domestic Service in Hungarian 1100 GMT 4 Jan 86

[Summary] "The 26th Congress of the Trade Union of Textile Industry Workers began its work this morning in the Central School of the National Council of Trades Unions [SZOT] with the participation of 217 delegates. SZOT Chairman Sandor Gaspar and Deputy Premier Laszlo Marothy, members of the MSZMP Politburo, are present."

The congress was opened by Jozef Apro, president of the Trade Union of Textile Industry Workers. After the opening speech Dr Mrs Istvan Martos, general secretary of the trade union, delivered a verbal supplement to the written report of the trade union's central leadership. She said that the enterprises, by using the most modern plant and working methods, have achieved a significant improvement in production in the last years. The value of the results achieved is enhanced by the fact that they were achieved despite a bigger than national average reduction in the work force, of investment possibilities that are lower than the industrial average, of recurring problems in material supply, and of import difficulties. In the Sixth 5-Year Plan period investments fell to one half of what they were in the previous 5 years, that is from 13.6 billion to 7.5 billion forints. The stock of machinery is to a large extent outmoded; its average decline in value approaches 50 percent, which is the lowest in industry. There are some 16,000 fewer workers in the branch now than in the last 5-year plan period, despite the fact that there are at present nearly 2,500 foreign workers. Although the rate of the reduction of the work force in the branch has slowed down, it still exceeds the average for industry and for light industry. Shortages of imported basic materials have caused frequent problems in the continuity of production and workers have had to do much extra work to make up for this. Among the improvements Mrs Martos mentioned is the fact that 500 million forints have been spent on air conditioning in the last 5 years.

Kapolyi Delivers Address

LD051430 Budapest Domestic Service in Hungarian 1100 GMT 5 Jan 86

[Text] The Trade Union of Textile Industry Workers' is holding its congress. The session is attended by Deputy Premier Laszlo Marothy, member of the Politburo. He spoke yesterday.

Industry Minister Laszlo Kapolyi asked leave to speak this morning. He said, among other things, the following:

[Begin recording] In the present situation in our industry, the importance of the textile industry, of light industry, continues to be very significant. I would like to stress in this connection first of all that the correct appreciation of the situation of the Hungarian economy requires that we should realistically appraise the socioeconomic role of industry.

I accept the many critical remarks that have been directed at Hungarian industry in recent years.

Nonetheless, I would like to emphasize that in my opinion much less is being said about the fact that in the course of the Sixth 5-Year Plan industry increased its contribution to the budget, that is, to the national income, from 110 billion forints to 155 billion forints. This 50-percent increase means that it contributes more to the budget expenditures than any other branch. This is something that just is not mentioned very often.

This process will further accelerate during the Seventh 5-Year Plan. The clear positive balance of 155-160 billion forints means that industry is in part undertaking the role of an engine of growth. Industry is developing in a market-oriented way. The critical comments to the effect that we cannot always meet the qualitative requirements must be accepted; that there is not always a situation of genuine competition, that much has to be done yet to develop a real seller's market are also true. However, industry will export goods worth more than $2.5 billion in 1985 [as heard]. Of this, light industry will export approximately $430-440 million of goods. Ruble exports by the light industry will exceed R600 million.

Thus, all in all, while we have to accept that there are shortfalls of R10-20 million, and a shortfall of $100-150 million in industry's export performance in the capitalist markets, I think that the human performance definitely requires and merits appropriate emphasis on what we have achieved, since this has made a fundamental contribution to the fulfillment of the priorities set by the political sphere and economy policy. [end recording]

ISTVAN SZABO TOURS BUDAPEST ENTERPRISES

AU291958 Budapest NEPSZABADSAG in Hungarian 19 Dec 85 p 5

[Text] Istvan Szabo, MSZMP Politburo member and chairman of the National Council of Producer Cooperatives acquainted himself on 18 December with the capital's life and development. He was received at Budapest party committee headquarters by Karoly Grosz, MSZMP Politburo member and first secretary of the Budapest MSZMP Committee, and Zoltan Szepvolgyi, chairman of the Municipal Council, who informed him about conditions in the capital, achievements of the Budapest economy, and about the tasks connected with urban development.

Then, Istvan Szabo paid a visit to the Budapest meat industry enterprise. Here, Endre Faludi, general manager of the Livestock Trading and Meat Industry Trust; Geza Kisistvan, director of the Budapest meat industry enterprise; and Karoly Novak, the enterprise's party secretary, told him about the situation of the sector and of the enterprise and of development concepts. They said that, as a result of the central measures aimed at improving profitability, animal breeding zeal is increasing and the quality of livestock continues to improve.

The full-day program concluded at the educational directorate of the Budapest MSZMP Committee, where Szabo met with the heads of the capital's party, state, social, and mass organizations.

PLANNING OFFICIAL INTERVIEWED ON ECONOMY

AU301450 Budapest MAGYAR NEMZET in Hungarian 20 Dec 85 p 5

[Interview with Jozsef Bognar, chairman of the Plan and Budget Committee of the National Assembly, by Robert Grenitzer: "The Changeover of the Economy Is Inevitable -- Jozsef Bognar's Statements Prior to the National Assembly Debate" date and place not given; first paragraph is paper's introduction]

[Text] The fact that, for the first time in the socialist legislative practice, an ad hoc committee made up of several National Assembly committees has been established for the most comprehensive and thorough possible preparation and debate of the plan shows the outstanding importance of the Seventh 5-Year Plan. The task of the committee established in October is to promote, by analyzing several key issues of the plan concept -- primarily the foreign economic strategy -- also with the cooperation of scientific researchers, the development of a system of action which guarantees an efficient and a faster advance, which is possible under our external and internal conditions. On the eve of the parliament debate on the plan proposal, we asked Academician Jozsef Bognar, chairman of the National Assembly's Plan and Budget Committee and also chairman of the ad hoc committee, to evaluate the experiences of this activity of almost a quarter of a year.

New Committee -- New Working Method

[Grenitzer] Perhaps it might be of interest to discuss in more detail the reasons for the creation of the ad hoc committee....

[Bognar] Basically, we can mention two reasons. On the one hand, we are searching for new forms that can make the activity of the National Assembly committees more thorough, more interesting, and more meaningful. In the current system, the committees are dealing exclusively with issues that belong to their own sphere of competence -- that is, each committee discusses industrial, trade, financial policy, and agricultural issues. However, we are living in a period when it is necessary to consider the narrow professional points of view together with other viewpoints, interrelations, with seeming connections for the uninitiated. It is obvious that it is not enough to analyze only the industrial production in itself. We must also take into consideration its effect on the markets, the problems of technological progress, and its position in national and world competition -- in otherwords, we must know the joint effect of a good number of factors in order to be able to evaluate a process as positive. Therefore, the National Assembly has now attempted to make sure that its committees, working in a more complex way, are supplying a complete picture and are providing a more secure basis for correct decisions and good value judgement. On the other hand, it is absolutely worth mentioning that the Seventh 5-Year Plan involves a critical period of our economic development. I do not want to signal with this adjective the situation we are in, but the fact that we must make decisions of considerable importance and we must thoroughly reorganize our activity in various areas in order to be able to implement -- or even fulfill if possible...the goals set. The activity of the ad hoc committee has been led by the recognition that, with the exception of Africa, a thought-provoking quantitative and qualitative develop nt has been proceeding in the world economy. Therefore, we tried with great responsibility to make proposals concerning not "only" a 5-year plan but the future of the country and of the entire economy.

[Grenitzer] What was the working method and composition of the ad hoc committee?

[Bognar] As we were faced with complex tasks, in addition to members of various parliamentary professional committees, prestigious experts of the economic and scientific life have also taken a considerable share in the activity of the committee. I stress that these delegates were not only famous national authorities in their scientific branch but also committed people, bound with many ties to the realities of our society, researchers who contributed in some form also to the shaping of the plan. We expected from this -- and we were not disappointed -- that this way we would be able to evaluate the issues more thoroughly. We wanted the planning to benefit the advantages of the fact that the thinking and way of approaching problems of people active in the scientific sphere are characterized by a "long-term" view, the research and assertion of general connections rather than by efforts aimed at solving direct and daily problems. Let there be no mistake about it, the latter is at least as important as the former; we had, however, to take a position knowing all the views.

While it is the "endeavor" of science to declare the connections discovered through analysis and considered to be true, the evaluation of them is already the task of politics. It is possible that the direct participants in decisionmaking regard the opinion of researchers as "pessimistic." It is also my conviction that negative signals serve positive goals: They draw attention to the possibilities of improvement and wish to help the politicians who are thoroughly familiar with the society's relations of interest and the international situation and surroundings. Positive and instructive analyses have emerged.

[Grenitzer] How would you sum up the opinions of the experts?

[Bognar] In accordance with the nature of the matter, the experts formed their opinion on the entire plan concept, a totally understandable approach since the "internal" and "external" economic problems are extremely closely interrelated and have a mutual effect on each other. They agreed that, depending on the consolidation of the balance, an acceleration in the rate of growth is expected in the second half of the plan period. At the same time, they drew attention to the importance of means contributing to the achievements of goals, and of decisions turning into economic policy. Concerning the foreign economic strategy of the plan concept, great importance was laid on the need to create a change in structure, the producers' material interestedness, and intergovernmental economic policy, the organization of sales, marketing, a constant analysis of world economic changes and trends, the credit policy, and cooperation with foreign capital, and to increasingly subordinate these to the most favorable possible export-import activity. They have also pointed out the importance of an intensive-selective development policy and the increased assertion of reform elements. Comparing all the views, the ad hoc committee prepared a report which the plan and budget committee always took into consideration in the course of its debate. I believe -- and the fruitful debates also confirm this -- that the creation of such a body to discuss an important issue or task can be beneficial in the future, too.

Something We Have Not Yet Experienced

[Grenitzer] Now that we possess the most thorough analysis ever, how can we evaluate the situation of our economy at the beginning of the period for 1986-90?

[Bognar] There has been a change in the situation of the Hungarian economy, which is connected, in addition to the internal events, with the situation that has developed among the socialist countries and in the world at large. The important thing is that we cannot count on an increasing energy supply or the expansion of the market for our manufacturing industry products. That means in fact that we have lost the main sources of previous growth of the Hungarian economy. If we consider the 3-percent rate of increase expected in the socialist foreign trade, we must conclude that this can no longer be considered in practice as the main source of growth. An adequate reaction to this can only be a thorough reorganization of the economy. The extent of this reorganization and the methods to achieve it require further consideration, but it is already clear that, in addition to manufacturing adequate products, we must also find new markets in other parts of the world.

All this makes the outstanding importance of foreign economic factors seem more convincing. This means that, if earlier, in the period of a plentiful energy and raw material supply, we were wasteful, now we must repeatedly think over where to invest energy and money and, moreover, we must learn to efficiently and profitably compete in the world market. Therefore, we have to reorganize our economic policy, to time our measures, and to reshape our structure and organization in such a way that the creation of surplus energy necessary for the growth is not accompanied by great foreign trade losses. This, of course, is a complex task that we have not experienced yet in the history of the Hungarian economy. We must not despair, though, because every country -- even if in a different way -- is also in a difficult situation. The Western countries no doubt possess greater world market experience and competitive skill but they are hit by unemployment, inflation, budget deficits, and a deficit in the balance of payments, and the Southeast Asian competitors have made their appearance and will be merciless because they are able to produce highly developed technology with cheap manpower. We must find the right solution and must follow the pace of the great "world movement" by getting rid of our obduracies, comforts, and by renewing our ways of thinking. International trade offers countless possibilities for determined and flexible economies.

First: The Increase in Exports

[Grenitzer] What is, after all these, the forecast of the ad hoc committee?

[Bognar[We must definitely accept the rate of growth and export growth contained in the Seventh 5-Year Plan. But we must do everything from the first moment to achieve a greater export growth than 3 percent, and I see several possibilities for this. If we could increase exports by 5-6 percent instead of 3 percent, then we could import more and expand investments, that is, there would be an automatic change in all the important indicators. We must not forget for a moment that it is impossible to increase exports without facing the internal and external consequences of the foreign economic situation. We cannot send the industrial enterprises out into the world competition with bad conditions. If exports are important, and they are, then we must take this into consideration with the taxation of profits and we must ensure the necessary imports in time; in other words, we should give priority to export considerations.

[Grenitzer] How can the activity of the National Assembly promote the successful implementation of the Seventh 5-Year Plan adopted into law?

[Bognar] Making use of their supervisory rights, the National Assembly and its committees must pay special attention to the economic processes and phenomena determined and influenced by the plan. I refer here primarily to the implementation of action programs, the assertion of a comprehensive foreign economic conept, and to the strengthening of trust between the budget and the enterprises. I think that, in harmony with the concepts aimed at further improving the activity of the National Assembly, we could increasingly rely in the future also on the cooperation the Central People's Control Committeee has already offered. It is my conviction that the activity of the ad-hoc committee contributed to clearing up the approach to positions concerning the plan and the clever utilization of new resources emerging in the Hungarian economy in accordance with its goals.

JOZSEF MARJAI DEPARTS FOR HAVANA MEETING

LD032035 Budapest MTI in English 1728 GMT 3 Jan 86

[Text] Budapest, January 3 (MTI) -- Jozsef Marjai, vice-chairman of the Hungarian Council of Ministers and chairman of the Hungarian section of the Hungarian-Cuban Economic and Technical-Scientific Cooperation Committee, left for Havana Friday [3 January] on the invitation of Jose Ramon Fernandez, vice-chairman of the Cuban Council of Ministers and co-chairman of thecommittee. Jozsef Marjai is to attend the 14th session of the committee.

BRIEFS

NEW ID CARD PROCEDURES -- Identification cards in Hungary will have to be changed only four times as opposed to the present six. According to the new decree by the interior minister, Hungarian citizens will have to appear at the police station at the age of 14, 20, 35 and 50 to take out, validate, or replace their identity cards. The issuance fee has risen from the present 20 to 30 forints, but if somebody damages or loses the card he will have to pay an extra 50 forints. These decrees went into effect on 1 January. Another modification, which will come into effect on 1 July 1986 is that young people age 14 may take out their first identity card free of charge. [Text] [Budapest Domestic Service in Hungarian 2100 GMT 3 Jan 86 LD]

DAILY EXAMINES BACKGROUND TO AIRPORT ATTACKS

AU031254 Warsaw TRYBUNA LUDU in Polish 30 Dec 85 P 7

["PAP Rome, Vienna, Beirut" report: "Who iS Behind the Rome and Vienna Attacks?"]

[Text] According to the latest information, the victims of the two terrorist attacks carried out on Friday [27 December] on the Israeli airline counters at Rome and Vienna airports total 18 killed and 105 wounded.

On Saturday afternoon, the perpetrators of these bloody deeds were still unknown. The investigating bodies in Italy and Austria merely managed to ascertain that the terrorists were Arabs.

In Rome, the only survivor of the group who carried out the attack was in possession of a document signed by a hitherto unknown organization called "The Martyrs of Palestine."

The Italian police believe that the 4-man group of terrorists had a base in Rome, where they possessed a stockpile of weapons. In addition, the terrorists availed themselves of the help of an entire network of collaborators in the Italian capital. They believe that the weapons used in the Rome airport attack are from the same stockpile as those found after previous terrorist attacks in Rome.

In Vienna, police questioned the one terrorist and learned the personal details (still unconfirmed) of all three terrorists: They are Mongi Ben Abdullah Saadawi [this and subsequent Arab names provided as published], 26 years old, who was killed; and Abdel Aziz Merzughi and Ben Ahmed Szaowal, both 25 years old and both wounded. They used Tunisian passports as identification (the Tunisian authorities say they were forged), whereas two of the four terrorists in Rome held Moroccan passports.

Responsibility for both attacks is being claimed by many people calling themselves representatives of various Palestinian organizations about which nothing more is known. Thus, along with other organizations, the attacks are supposed to have been the work of the Abu Nidal Palestinian group, the unknown "Red October" organization, or the equally unknown "Arab Fedayeen Cells." The police are treating all this information with a great deal of skepticism.

Israel has accused the PLO of carrying out the attacks, warning them that they will not remain unanswered. In the meantime, the entire Arab world has reacted sharply to this accusation and has firmly rejected it. The PLO itself has denied responsibility, as well as having any connection whatsoever, with Friday's attackers. Ibrahim al-Sus, the PLO representative in Paris, accused Israeli authorities of "trying to exclude the PLO from the peaceful process in the Middle East by heaping responsibility for both attacks on it." In this Palestinian activist's opinion it is "some small minority groups with headquarters in Syria or Libya" that are responsible. In addition, Salah Khalaf (using the pseudonym Abu Iyad), member of the Fatah Central Committee, has accused "dissident groups" of being behind these terrorist actions. "We condemn such attacks and believe that our voice of protest will be heard. Regardless of who is behind them, neither the Palestinian people nor any other Arab people may bear responsibility for such attacks."

The attacks have been condemned by Egyptian authorities, and the head of this country's parliament rejected the theory of PLO responsibility for them. The Saudi Arabian press believes that the terrorists objective was to discredit this Palestinian organization. At the same time, the Arab daily AL BILAD has voiced the suspicion that Israel itself may be hiding behind this drama.

RESPONSE TO THREAT OF U.S. ATTACK ON LIBYA

LD052159 Warsaw PAP in English 2017 GMT 5 Jan 86

[PAP commentator; "Clouds Over Libyan Jamahiriyah" -- PAP headline]

[Text] Warsaw, Jan 5 -- The American Sixth Fleet is once again heading for the eastern part of the Mediterranean Sea.

The full alert for Navy units including those in the United States, the state of readiness at airports and for Marines units at bases on Sicily point to the fact that Libya, as the target of these measures, has found itself in a peril.

A special session of the permanent committee of the Arab League stated in Tunis that the whole Arab world will come to Libya's defence in case the country is attacked. Regardless of the resolution adopted by the meeting what is striking is the surprising unanimity of Arab states, even those which have shown their ill-will or even enmity towards the revolutionary Libyan Government and its leader Al-Qadhdhafi.

What is also striking is the fact that Egypt, a country allied with the United States and ousted from the Arab League for its separatist peace accord with Israel, has expressed both anxiety and a protest against waging a war now. This voice is all the more telling because of the tense relations which exist between Libya and Egypt.

The sudden rise of tension has on the other hand revealed the strong disinclination on the part of the European allies of the United States to get into another armed row in the region where Western intervention has on the whole ended in military and political failures.

A belief dominates in Arab capitals that armed blackmail or a possibility of an attack on Libyan targets brings to mind the catastrophic in results invasion of Egypt by Great Britain, France and Israel in 1956 following the nationalization of the Suez Canal by President 'Abd al-Nasir. What was sought at the time was the abolition of the progressive Arab Government by military means just as today the United States seems bent on overthrowing by force the revolutionary government in Libyan Jamahiriyah.

REAGAN, GORBACHEV MESSAGES PROVIDE HOPE FOR 1986

LD031135 Warsaw Domestic Service in Polish 0600 GMT 3 Jan 86

[Zdzislaw Stankiewicz commentary]

[Text] Echoes of the New Year's addresses of Mikhail Gorbachev and Ronald Reagan aired on the two countries' television are still resounding loudly and clearly around the world.

The very fact that a televised exchange of New Year's greetings occurred -- unprecedented in Soviet-U.S. relations -- has been very positively evaluated by the whole world.

There is a widely-held view that this was not just an expression of courtesy, but that this is a great event of deep political significance, proof that the Geneva summit is bearing fruit and that the spirit of Geneva lives.

The year which began 3 days ago is the International Year of Peace. It would be difficult to imagine a better inauguration for it. The leaders of the two greatest powers, on whom the fate of mankind and the world depends, gave expression to a desire to live in peace, an expression of their will for its preservation and its consolidation. There are, without a doubt, differences in methods to achieve this goal. The Soviet leader drew attention to the nonsense of strengthening security by means of new arms. The U.S. President sees things differently. But in his address, too, there were words about the reduction and, in the final analysis, the abolition of means of nuclear annihilation. And, after all, this is what the whole world expects and demands. Let us therefore hope that these words become reality as swiftly as possible.

As the British DAILY EXPRESS wrote yesterday, the addresses of Mikhail Gorbachev and Ronald Regan give us great hope for 1986. I am inclined to state that they not only give hope, they actually strengthen it.

FURTHER REPORTAGE ON VISIT BY USSR'S ANTONOV

Received by Jaruzelski

LD031804 Warsaw Television Service in Polish 1620 GMT 3 Jan 85

[Text] Wojciech Jaruzelski has received Aleksey Antonov, USSR Council of Ministers deputy chairman, who is in Poland. During the conversation, past cooperation as well as decisions regarding its further development, approved during the coordination of Polish-Soviet plans for the coming 5 years, were assessed positively. Wojciech Jaruzelski stressed that Poland saw the implementation of such plans as an extremely important factor for our state's socieconomic development.

Received by Gwiazad

LD031800 Warsaw Domestic Service in Polish 1600 GMT 3 Jan 86

[Text] Council of Ministers Deputy Chairmen Wladyslaw Gwiazad met USSR Council of Ministers Deputy Chairman Aleksey Antonov, who is heading a delegation that arrived in Poland in connection with the opening of new production departments in the Katowice and Pokoj steelworks. The two officials, who simultanelously are cochairmen of the intergovernmental commission for economic, scientific, and technical cooperation between Poland and the Soviet Union, discussed preparations for the commission's next session which will be held in Moscow. The Soviet delegation also visited with construction workers of the Warsaw underground railway.

ZBIGNIEW MESSNER TO VISIT MOSCOW MID-JAN

LD041318 Warsaw Domestic Service in Polish 1300 GMT 4 Jan 86

[Text] At the invitation of the Soviet Government, [Premier] Zbigniew Messner will pay an official visit of friendship to Moscow in mid-January.

NATORF APPOINTED NEW AMBASSADOR TO USSR

LD040634 Warsaw PAP in English 1416 GMT 3 Jan 86

[Text] Warsaw, Jan 3 -- The Council of State has appointed Wlodzimierz Natorf to the post of Poland's ambassador to the Soviet Union.

He was born in 1931 in Lodz. In 1955 he graduated from the Economic Department of the Leningrad university and began his career at the Ministry of Foreign Affairs. His first post was that of an advisor and his latest was that of department director.

He has held responsible posts in the diplomatic service. He was Poland's ambassador and permanent representative to the UN office in Geneva between 1969-1973, and Poland's ambassador and permanent representative to the United Nations in New York between 1982-1985.

In 1981-1982 and in 1985 he held the post of head of Foreign Department at the PUWP Central Committee.

Received by Officials

LD042346 Warsaw Domestic Service in Polish 2200 GMT 4 Jan 86

[Text] Wojciech Jaruzelski, Zbigniew Messner, and Kazimierz Barcikowski today received Wlodzimierz Natorf, newly appointed Polish ambassador to the USSR.

SZACILO APPOINTED CHIEF OF ARMY POLITICAL BOARD

LD041850 Warsaw Domestic Service in Polish 1800 GMT 4 Jan 86

[Text] In connection with the election of General Jozef Baryla to the post of secretary of the Central Committee of the party, Lieutenant General Tadeusz Szacilo has been appointed chief of the Main Political Board of the Polish Army.

Today, a meeting was held of the extended collegium of the Main Political Board of the Polish Army with the participation of Minister of National Defense Army General Florian Siwicki. Florian Siwicki conveyed cordial congratulations to Jozef Baryla, and thanked him for his devoted service as chief of the Main Political Board of the Polish Army.

Lieutenant General Tadeusz Szacilo, upon taking over the duties of chief, assured the party and Army leadership that he will consistently strive towards the further consolidation of ideological and political foundations of combat readiness of the Polish Armed Forces, making use of the achievements and experience of the collective of the Main Political Board of the Polish Army.

PZPR POLITBURO SESSION COMMUNIQUE ISSUED

AU300600 Warsaw TRYBUNA LUDU in Polish 19 Dec 85 pp 1-2

[Text] PAP -- The PZPR Central Committee Politburo acquainted itself with the draft PZPR program and with the observations and suggestions added to the document during the course of the Second National Ideological and Theoretical Party Conference.

The Politburo approved the principles set out in the document and decided to present the document to the Central Committee members at the next Central Committee plenary session. The course of further work on the draft will be decided at the plenum. The 24th Central Committee Plenum will accept the program as the basis for general discussion within the party, in youth organizations, and in broad sections of society.

It was stressed that the long-term program will serve as the party platform for the expression of national and class goals. The program should, therefore, reflect the entire complexity of ideological, political, ideological-educational, and economic problems which should be solved in the coming 15-year period. Success in resolving these problems will determine progress in the building of socialism and the quality and standard of life for working people. It was stated that the program should not only contain a realistic perspective of the future, but one that is also attractive to society and useful in overcoming obstacles to development, including those of a psychological nature. The program must mirror the scope and richness of the pattern of life in a socialist state which ensures that citizens are linked harmoniously with citizens' social activity within the framework of the institutions of people's power.

The Politburo discussed the results of a control on the implementation of the resolution adopted at the 18th PZPR Central Committee Plenum. This was already the fourth inspection to deal with the implementation of decisions taken at plenary sessions. The analysis was part of the preparations being made for the 23d Central Committee Plenary Session. The inspection was conducted by the PZPR Central Auditing Commission on the basis of an examination of the work of Central Committee departments and selected voivodship party organizations. Tasks concerning the Central Annual Plan for 1984 and other important economic issues set out at the plenum are being introduced into party work at Central Committee and voivodship committee levels. Party cells at the first level are displaying more and more initiative in the implementation of the PZPR economic policy. Many primary party organizations, by taking appropriate action, are supporting the introduction of reform mechanisms in their workplaces. Thus, they have made a significant contribution to the favorable results which were recorded in certain sectors of the economy as the year draws to a close.

However, the implementation of the 18th plenary session resolution has not been proceeding correctly everywhere. Some first-level party cells and basic party organizations have not devoted sufficient effort to the execution of this task. This has resulted in delays and inadequacies in the introduction of appropriate incentive systems, shortcomings in the operation of workplace teams for price and cost analysis, and the excessively slow tempo of the development of the innovation and rationalizations movement as well as that of work leadership and competition.

The Politburo indicated that factory party cells and organizations should more efficiently and effectively implement the long-term intentions of the 18th plenum. It recommended that all voivodship party cells evaluate the state of realization of factory programs in this area and energetically make up for delays.

It was stressed that tasks set out in central time frames must be skillfully translated into directives for party organizations at lower levels. A comprehensive examination and identification of the factors resulting in the inefficient communication of recommendations must be carried out; that is to say, it must be determined to what extent the failure to implement recommendations is the result of poor formulation of recommendations or their inappropriateness in respect to selection and detailed application to specific factory situations, and what opportunity party collectives have to implement them.

The Politburo examined the results of an inspection of the implementation of the program for the economic education of society adopted last year. The inspection was carried out by the PZPR Central Auditing Commission together with concerned Central Committee teams.

It was stated that in general, tasks are being discharged correctly. The implementation of the program, which has been going on for more than a year, has raised work forces' economic awareness. This was confirmed by the course of discussions on the assumptions of the National Socioeconomic Plan for 1986-90, the Central Annual Plan for 1986, and by the better understanding of the tasks and conditioning factors contained in them. Howver, detailed analyses show that the effects and levels of dissemination of economic knowledge and the principles of rational management are varied in individual voivodships and factories.

The Politburo stressed that workplaces are key places for the implementation of the economic education program. The success of the program requires the involvement of all sociopolitical, economic, and administrative forces. Schooling provided by the party cannot be the only form of economic education employees receive, as is often the case. Joint action is essential on the part of parent body organs as well as on the part of factory management, workers councils, trade unions, and factory circles of social, youth, and scientific and technical organizations.

It was stated that material used in schooling should be written in plain language and be free of complicated, specialized terminology. The simplicity and clarity of these works should not, however, lead to the crude oversimplification of their content.

It was indicated that even the best thought-out and interesting forms of shaping work forces, economic awareness will bring few benefits if in everyday life employees encounter bad management, organizational slackness, waste, and incorrect work discipline. Good models and practices which are present in our enterprises are the best teachers of required employee attitudes. These behavior patterns contribute to the popularization of ideas of respect for work and a feeling of responsibility for its quality and results among the broadest sections of society. These are the most important goals of economic education.

The Politburo familiarized itself with the state of preparations for the congress of intellectuals in defense of a peaceful future for the world. The congress will take place in Warsaw from 16 to 19 January 1986.

The Warsaw congress, which will inauguarate the International Year of Peace declared by the United Nations, will be one of the first meetings of outstanding representatives of world public opinion, social organizations, and peace movements to take place since the Soviet-U.S. summit in Geneva. The talks held between the two leaders have created a positive climate for active efforts in defense of peace; and these efforts find expression both in international contacts and in the activeness of peace and anti-war movements.

The Warsaw meeting of intellectuals will contribute to the enhancement of peace activities among people of science and culture, for they bear the particular responsibility of opposing the danger to human civilization posed by the threat of nuclear war.

It was stated that a special threat is posed by the danger of spreading the arms race to space. At the UN forum in September of this year, Poland proposed the writing of a report on the consequences of the militarization of space. Speaking from the UN rostrum, W. Jaruzelski also supported the initiative of convening a congress put forward by Polish intellectuals.

This initiative is a confirmation of the lasting principles and directions of the peace policy pursued by socialist countries and their consistency with the goals of progressive forces in the world.

In declaring the Year of Peace, the UN stressed the importance for mankind and the contemporary world of a determined struggle against the threat of nuclear war and for the curtailment of the arms race. The authority and importance of this organization will lend a particular resonance to the voices of all people of good will who are actively working for the defense of peace and international security.

The Politburo listened to a report on the working visit of friendship paid by Erich Honecker, SED general secretary and GDR State Council chairman, to Poland and approved the results of the visit as contained in the joint communique.

The Politburo noted the strategic lines of PPR-GDR cooperation and the significance of the program of interparty cooperation for the years 1986-1987 for the strengthening of the unity of the socialist community, which serves to preserve peace and security in Europe and in the world.

The main goal behind the development of economic relations between Poland and the GDR is the expansion of trade, specialization and cooperation, and scientific and technical cooperation. This is attested to by the signing during the visit of the "The Long-Term Plan Program for Cooperation Between the PPR and the GDR in the Areas of Science, Technology, and Production Until the Year 2000" and the coordination of socioeconomic plans for the period 1986-90. This will make it possible for both states to achieve a faster rate of economic progress based on the achievements of science and modern technology.

The Politburo stressed the significance of decisions taken by the PZPR and the SED concerning the expansion of exchanges of experience in the building of socialism and preparations for both party congresses. The popularization of the cultural and scientific achievements of both states in the two societies is essential, as is the encouragement and expansion of cooperation between artistic circles and direct contacts between children and all elements of the two societies.

The Politburo acquainted itself with the course and results of the visit of the chairman of the SPD, Willy Brandt, who came to Poland at the invitation of W. Jaruzelski, PZPR first secretary. The visit, which coincided with the 15th anniversary of the signing of the treaty on the normalization of relations between the PPR and the FRG, constituted significant evidence of the positive development of relations between the PZPR and the SPD, of dialogue strengthening peace and security, and was an expression of the SPD's and Willy Brandt's personal involvement in the process of normalizing relations between both states and societies.

The Politburo recognizably stressed the efforts of both sides to develop relations in line with the content of the treaty and to counter all attempts to violate its substance and spirit. It was underscored that the full normalization of relations between Poland and the FRG would represent a significant contribution to the strengthening of peace, security, and cooperation in Europe.

The Politburo judged the joint PZPR and SPD declaration on confidence-building measures in Europe, which is a part of the general European discussion of a return to detente, as evidence of opportunities which exist in this area regardless of differences which separate both parties. The Politburo expressed the belief that the visit should give a new impetus to the opening of the next phase in the process of normalization.

The international response the visit generated is evidence of its great importance for the further development of relations between the PPR and the FRG and for dialogue and detente based on a platform of recognition of and respect for European political and territorial realities.

TV DIRECTOR-GENERAL RESIGNS AFTER SOUND PROBLEMS

LD052321 Warsaw Domestic Service in Polish 2200 GMT 5 Jan 86

[Statement by Aleksandr Perczynski, director general of the Radio and Television Committee -- recorded]

[Text] As you will have noticed, ladies and gentlemen, and as you no doubt remember, severe sound distortions occurred during the radio and television broadcast of the New Year's speech of the chairman of the Council of State of the Polish People's Republic, General of the Army Wojciech Jaruzelski.

I wish to apologize most sincerely to you, ladies and gentlemen, radio listeners and television viewers, for these distortions.

A number of mistakes of a technical nature combined to produce this poor sound quality. They were all the more regretable for Polish radio and television since the equipment and installations with which we work are increasingly modern.

In this particular case, on such a special day and in such important circumstances, this is an added element inculpating us. The employees who were directly responsible for committing these mistakes have been punished.

In the Radio and Television Committee, as in the whole of the central state administration, there are no anonymous shortcomings and mistakes. As director general of the committee, I organized the broadcast and I bear the responsibility for its quality. That is why, as a member of the PZPR, and, at the same time, as a member of the management of a central state institution, acting in the spirit of responsibilities stemming therefrom, I have tendered my resignation from the post of director general.

Once again, ladies and gentlemen, I offer you my apologies for the flaws of this New Year's broadcast.

Thank you for your attention.

RELIGIOUS BODIES THANK AUTHORITIES FOR FREEDOM

LD032018 Warsaw Television Service in Polish 1620 GMT 3 Jan 86

[Text] At the invitation of Kazimierz Barcikowski, deputy chairman of the Council of State, the leaders and outstanding representatives of 16 non-Roman Catholic churches and religious associations have arrived at the Belweder to attend the New Year's meeting. Thanks were expressed to state authorities and Chairman of the Council of State Wojciech Jaruzelski for having created conditions encouraging citizens to enjoy the full freedom of conscience and religious beliefs, and allowing the churches and religious associations to enjoy the freedom to perform their religious functions. Kazimierz Barcikowski thanked the non-Catholic churches and religious associations in Poland for their patriotic and civic attitude and their fruitful contribution to shaping national accord.

CLOSER INTEGRATION INTO WARSAW PACT SPECULATED

AU031144 Paris AFP in English 1127 GMT 3 Jan 86

[Didier Fauqueux report]

[Text] Vienna, Jan 2 (AFP) -- Romania appears to be reassessing its 1962 decision to pull out of the military structure of the communist bloc's Warsaw Pact, according to observers in Bucharest. Romania has always been a member of the Pact, but for over two decades its presence was symbolical rather than active, for it refused to align its Armed Forces with those of the Soviet Union and other allies. For instance, Pact countries were not permitted to hold their annual military maneuvers in Romania. But this might change, judging by a speech given by President Nicolae Ceausescu in Bucharest last month in which he said that it was necessary "to improve cooperation with the Warsaw Pact's Armed Forces." He added "We must firmly carry out our commitments within the Pact concerning the defence of our country against a new imperialist aggression."

Three days after his speech, by a strange coincidence, President Ceausescu had talks in Bucharest with visiting Soviet Marshal Viktor Kulikov, commander-in-chief of Warsaw Pact forces. The meeting was attended by Romanian Defense Minister General Vasile Milea, who recently succeeded General Constantin Olteanu, given new duties in the Communist Party leadership.

Last month, General Olteanu was given a warm welcome during an official visit to Moscow, interpreted by observers as showing the Kremlin's renewed interest in the Romanian Armed Forces.

Last year Romania showed reluctance to agree to a 20-year extension of the Pact, but finally signed with other allies in Warsaw last April.

Bucharest had already signalled its progressive return to the fold when a "large unit" of the Romanian Army participated in Warsaw Pact military maneuvers, codenamed Shield-84, held in Czechoslovakia last year.

Romania joined the Warsaw Pact when it was founded in May 1955, and Soviet troops left the country in 1958. Romanian troops stopped taking part in Pact maneuvers in 1962, a move which helped strengthen Romania's reputation for being independent of Moscow. But President Ceausescu, faced with massive economic problems, especially in the energy sector, is being forced to move nearer to the Soviet Union on whom he is heavily dependent on oil supplies. This could explain Romania's new approach to the Warsaw Pact, which has led to the Army being increased to 185,000 men, with an additional special para-military force of 37,000 men.

Last October, President Ceausescu gave his Army the delicate task of operating, and supplying, the country's electricity power plants with the forces being responsible for ensuring "strict application of production methods and maintenance and the efficient use of equipment."

U.S. Defense Department sources said recently that Romania had agreed to let the Soviet Union prepare advanced sites to deploy chemical warfare weapons at a later date. This claim has been denied by the Romanian press.

CEAUSESCU TO DIPLOMATIC CORPS ON FUTURE TASKS

AU031728 Bucharest SCINTEIA in Romanian 31 Dec 85 pp 1, 3

[Speech by President Nicolae Ceausescu at the 30 December Bucharest reception of the foreign diplomatic corps to commemorate the New Year and the republic's anniversary]

Esteemed Mr Doyen of the diplomatic corps in the SR of Romania, Messrs Ambassadors and diplomatic representatives:

Thank you for the wishes addressed to the Romanian people and government, and to myself personally. I consider these wishes to be an expression of the relations of cooperation between Romania and the countries you represent.

The year 1985 was one of important, but also contradictory, events. The whole of mankind marked the 40th anniversary of the victory over fascism and the end of World War II. On those occasions, statements were made and solemn commitments were taken to do everything to avoid a new world war and to ensure peace.

Last fall we also celebrated the 40th anniversary of the creation of the United Nations which, throughout this period, has played an important part in solving international conflicts and problems and maintaining peace. On that occasion, too, statements and pledges were made to consolidate the United Nations and to support actions for peace and international cooperation.

Among the various steps taken toward disarmament and peace, I believe we should particularly note the Geneva negotiations between the USSR and U.S. delegations, which have had several rounds of talks.

On this occasion, I would like to stress the importance Romania and other states attach to the Soviet-U.S. summit in Geneva between CPSU Central Committee General Secretary Mikhail Gorbachev and U.S. President Ronald Reagan.

These events prove that all of mankind is deeply concerned with putting an end to the dangerous course in international life, with finding negotiated solutions to all problems, halting the arms race, primarily the nuclear arms race, bringing about disarmament, and ensuring peace.

This also proves the important role played by public opinion and the peoples, who are increasingly advocating peace and understanding.

At the end of this year we must, however, say that we wish that it had been a better one, since the arms race, the deployment of new nuclear weapons in Europe and other parts of the world, and the militarization of outer space have continued in spite of all actions and steps. A number of conflicts and military actions have persevered and I must stress that the economic situation of the developing countries has worsened. This leads to the assessment that world tension has remained and has even sharpened to a certain extent by the end of 1985, and that the danger of a new world war has stayed with us and has even grown, a war which would inevitably turn into a nuclear catastrophe leading to the disappearance of life itself from our planet.

One can state that, after Geneva, the main problems have remained unsolved.

It is true that statements were made, a Joint Statement was adopted -- in which the two great powers state that they do not strive for world supremacy, that they understand the nuclear danger, and that they are ready to substantially reduce their nuclear arsenals by up to 50 percent -- and pledges were made concerning bilateral relations, which are also very important. However, aside from that nothing concrete has yet been achieved along the road of disarmament and in removing the danger of a nuclear catastrophe.

That is why now, on the eve of 1986, we believe that all nations are faced with the problem of doing everything to halt the dangerous course of events, bring about disarmament, primarily nuclear disarmament, ensure detente and peace, and promote a new cooperation policy which can secure each nation's right to free and independent development without any outside interference.

We would like 1986 to mark a transition to concrete and real achievements, in the spirit of pledges and statements made, toward eliminating nuclear weapons, halting the deployment of and later removing intermediate-range nuclear missiles and all nuclear weapons from Europe, and putting an end to nuclear tests and the militarization of outer space.

Only through such concrete steps in the coming year will mankind be able to really assess the true value of the Geneva meeting between the Soviet and U.S. leaders. Without such real measures in 1986, one can state that this meeting will lose its significance and we do not want this to happen! We hope that 1986 will mark real steps for a passage from statements to actual deeds, with a view to bring about disarmament! Only this will meet the requirements of nations and all mankind!

In this respect it is necessary to further strengthen cooperation among all states, regardless of social system, in promoting socioeconomic development and defending the basic rights of people and nations to existence, life, freedom, and independence.

We wish 1986 to lead to an ending of conflicts in various parts of the world and to the solving of problems through negotiations alone.

In this respect, we want next year to lead to the organizing of an international conference on the Middle East for a global solution to establish a just and lasting peace in that region and secure the Palestinian people's right to free development and their own state. At the same time, a just and lasting peace must ensure the existence of and cooperation among all states in that area.

In view of the developing countries' particularly serious situation, the growth of their foreign debt in 1985, and the worsening of economic relations in general and international trade in particular -- as a result of various protectionist measures taken by certain countries, primarily developed ones -- we wish for next year to bring about global negotiations between the developing and developed countries, under the UN's aegis, to solve all problems, including the foreign debt of these countries. We wish for it also to establish a new world economic order, promote international economic and trade relations and exchanges based on the principles of equality and mutual advantage, and renounce all protectionist or other measures which hamper the normal development of international exchanges, the solution of the world economic crisis, and the socioeconomic progress of all peoples.

We proceed from the fact that there is an ever closer interdependence between the problems of disarmament, the world economy, underdevelopment, and the new world economic order, and that only the resolution of these problems -- along the road of disarmament, cutting back military expenditures, and promoting a new world economic order -- will lead to an overall improvement in international relations and will open up the road to resuming the course of detente and promoting a policy of cooperation among nations.

We firmly speak out and will resolutely work to develop Romania's relations with all states, regardless of social system. We firmly base these relations on the principles of full equality of rigths, respect for independence and sovereignty, noninterference in domestic affairs, and nonuse of force or the threat of force.

International life is faced with many problems, but in our opinion the problems of peace, disarmament, and the new world economic order are the most urgent ones, as the improvement in the entire climate of international relations depends on them.

We are firmly determined to act further and do everything to cooperate with all states, peoples, and all forces wishing that mankind may live in peace and each nation in freedom and independence.

As far as Romania is concerned, you have lived with us, some for a longer time, some for shorter. You are familiar with our achievements, concerns, and with our targets for the coming year and up to 1990 or even the year 2000. In spite of the difficult world economic and particularly political situation, we have obtained a series of important achievements in 1985 and in the 1986-90 5-Year Plan, we have set ourselves the task of covering a stage in developing the forces of production, raising the people's level of civilization and well-being, and strengthening the country's independence and sovereignty. We have all conditions necessary to attin these targets. But for this, we also need peace. Both the Romanian people and all other peoples need peace to fulfill their socioeconomic development plans, programs, dreams and aspirations for a better, free, and independent life.

That is why I started and now conclude my speech by stressing the need to do everything for peace.

I want 1986 to lead to a real beginning for disaramament, for improving the international climate and the ties between states, and for resuming detente and cooperation.

I would like to extend best wishes to the heads of state and government and to all the peoples you represent, as well as success in fulfilling their aspirations for a better life, peace, and greater independence and sovereignty!

I wish you all, members of the diplomatic corps, success in all your activity devoted to developing relations beween Romania and your countries!

I wish you much health and happiness!

A happy New Year! (loud applause)

U.S.-USSR THAW SEEN IN LEADERS' NEW YEAR MESSAGES

LD031603 Zagreb Domestic Service in Serbo-Croatian 1400 GMT 3 Jan 86

[Milika Sundic commentary]

[Text] The New Year messages by Reagan and Gorbachev to the Soviet and U.S. peoples announced, if nothing else, at least a more favorable atmosphere in relations between the two superpowers in 1986. The two leaders will perhaps not meet in June as it was envisaged, but in September. This in no way diminishes the significance of changes which resulted from the Geneva meeting last November. Both messages -- Reagan's to the Soviet, Gorbachev's to the U.S. people -- were formulated in such a way that they contained nothing which could in any way threaten the Geneva spirit, or which the world could understand as evading responsibility for the fate of world peace. True, Moscow is somewhat disappointed that Reagan sticks to his defense initiative, well-known as "star wars", but even the very fact that the Soviet people heard what the U.S. President meant by it leads to the conclusion that this will not essentially upset the readiness of the two superpowers to continue a dialogue on decreasing and limiting ballistic and nuclear arms and the demilitarization of space.

It is also certain that regular annual meetings, regardless of when they are held, will become a lasting practice in relations between leading personalities of the two countries. This will undoubtedly help general efforts which are made in the world for 1986 to be, if not a year of stable peace, at least a year of efforts not to aggravate the existing situation in the world.

More favorable relations between the United States and the Soviet Union will certainly contribute to efforts toward detente between the two military blocs, and thereby facilitate efforts of peaceloving forces in the world in the direction of tackling big international problems. In other words, such a climate in relations between the superpowers can only facilitate efforts of nonaligned countries to continue their positive influence on overcoming bloc rivalries, or at least reducing them. If the second Gorbachev-Reagan meeting is held in September, this would coincide with the eighth summit of nonaligned countries in Harare. This is not insignificant, since when it comes to efforts to maintain world peace, both of these events could have an impact in lessening the rift between the North and South, which for many years, has been one of they key questions facing the world.

It is true that Reagan's and Gorbachev's messages do not contain any huge promises, at least not when it comes to the problem of disarmament. However, it seems that there is enough good will to continue the already initiated process, and what is even more important, to promote and widen contacts between the United States and the Soviet Union in the political, as much as in economic and cultural areas. True, there is still a great deal of time before the new meeting; this time could be used for new agreements on themes which the two leaders should discuss. Many of the problems had only been touched upon at the Geneva meeting, which is understandable; we should not forget that that had been the first meeting after 6 and 1/2 years which had mostly been marked by sharp confrontation between the two superpowers.

In any case, the New Year messages are a sign that distrust between the United States and the Soviet Union has started thawing. At the moment this is very significant, since without trust it is not possible to expect any kind of progress in Soviet-U.S. relations.

TERRORISM SEEN AS 'EXCUSE' FOR MIDEAST STATUS QUO

AU041613 Belgrade Domestic Service in Serbo-Croatian 1400 GMT 4 Jan 86

[Nebojsa Jankovic commentary]

[Text] After an incautious statement by JANA news agency that the terrorists of the Vienna and Rome airports were heroes and martyrs, the denial by the Libyan foreign minister constitutes an undoubted attempt to calm down the situation. The question is whether the step came in time.

It is obvious that terrorist madness is a good excuse for all those forces whom the status quo -- which is to say, a permanent state of war between Israel and the Arab countries -- suits. Tel Aviv calls for a crusade with the obvious intention of dragging Washington into a punitive expedition against the so-called centers of international terrorism. Syria replies that in case of attack, it will fight shoulder to shoulder with the Libyan Arab brethren and does not fail to remark that their powerful ally outside the region will honor its commitments in the friendship and cooperation treaty.

Both Moscow and Washington are trying to calm down their allies, but it is a question of how how long they will be able to do it, particularly since Israeli threats to strike at Syrian missile batteries indicate a direct confrontation that has been avoided for years.

Regardless of whether a direct Israeli action against one of the Middle East countries is imminent, it is obvious that the situation is potentially very dangerous. The events thus confirm the thesis that killing the innocent is but the ugliest and most visible face of terrorism. Activities of terrorists of all kinds, from individual and group to state terrorism, against the peace initiatives that have only just started are potentially much more dangerous. Therefore the peace efforts -- this is one of the lessons of the latest events -- must be continued with even more speed and energy, for the vicious circle of violence in the Middle East contradicts the assertion that time works for some and against other Middle East factors. The time lost in fussing about the manner in which Middle East negotiations are to be organized is obviously time gained by terrorists and those who use them for their aims.

U.S. INVOLVED IN 'WAR OF NERVES' WITH LIBYA

LD042159 Belgrade TANJUG in English 1914 GMT 4 Jan 86

["U.S.: 'War of Nerves' With Libya" -- TANJUG headline]

[Text] Washington, Jan 4 (TANJUG) -- The U.S. Administration neither confirms nor denies the reports on its alleged intention to launch a military "retaliation" action against Libya, the country it charges with supporting the terrorists. Its calculated moves anyhow intensify an increasingly tense "war of nerves" with Libya.

The aircraft carrier Coral Sea has already left Naples for southern Mediterranean. Two more ships, as was confirmed here this morning, were ordered to be ready in 72 hours to sail off across the Atlantic if necessary. These are the aircraft carrier America and the warship Iowa.

A few days ago the Pentagon and the Joint Chiefs of Staff informed President Reagan about a plan of possible actions against "targets in Libya." It was emphasized, however, that the plan was made "just in case."

It is hard to say whether all these actions are but part of psychological pressures exerted by Washington on Tripoli, but the U.S. Administration appears unlikely to really go into a military operation in Libya.

Quite a few American allies, just as domestic forces, regard that the consequences of any such move could be very serious.

GENERAL JOVICIC ON LC UNITY, ENEMY ATTACKS

AU041907 Belgrade NARDODNA ARMIJA in Serbo-Croatian No 2423, 19 Dec 85 p 4

[Excerpts] Lieutenant General Georgije Jovicic, president of the Committee of the LCY Organization in the Yugoslav People's Army [YPA], was interviewed by Vlajko Krivokapic, editor in chief for all the editions of KOMUNIST, and his deputy Borislav Vucetic on the occasion of Army Day. We carry excerpts from this interview.

Stressing at the beginning of the interview that the Communists and all Army personnel proudly point out that 4 decades of freedom and peace were not given to us as a present, but that we fought for them with our own forces, the will and the resolve of our peoples and nationalities, working people and citizens, Jovicic said that therefore we find it more painful when some of our "creators" in their writings distort facts, commit forgeries, attempt to create a false picture, and express unacceptable judgments about the revolution and the cadres which lived through the revolution.

Asked how the latest LCY Central Committee sessions were received by YPA personnel, Jovicic replied:

The Communists and all YPA personnel are interested in having LCY policy consistently applied in all fields of social development, for the defensive strength of our society depends on the successes and results achieved in the sociopolitical, economic, and overall self-managing development of our society. Therefore it is understandable that TYP personnel denounce all forms of behavior in society which weaken the social strength of the workers class, restrict the development of socialist self-management, or endanger other fundamental values of our revolution. Peoples are more pleased with small shifts in the direction of overcoming our difficulties than with a multitude of cliches in flowery speeches.

Explaining how the general party discussion about the draft conclusions of the 13th LCY Central Committee session was reflected among YPA personnel and how they look at the occurrences of disunity in the LCY and in society, Jovicic stressed:

Unfortunately, the number of questions on which there is disunity is much wider than those indicated. A careful analysis would indicate that there are other questions, including strategic ones, on which there are more or less essential differences in views. Of course this broadly affects the way we overcome the economic crisis.

It is known that any departure from the basic aims and contents of our revolution, any vacillation or lagging in their implementation, inevitably lead not only to great difficulties but also endanger the very revolution.

Therefore inconsistency, vacillations, and opportunism are not only "midwives" of our difficulties, they create space and conditions for the activities of the counter-revolutionary forces. We can find illustrations in our recent past, in the period of the so-called "mass movement," liberalism, and the events in Kosovo. Attempts at a counterrevolution lie at the basis of all these events. They were, it is known, primarily a consequence of insufficient consistency and determination by the LC and other socialist forces in implementing socialist self-management and other basic determinants and contents of our revolution.

We must defend the revolution with all our forces. Against organized counterrevolutionary activities one should behave decisively, without panic and without mercy.

Neglected Ideological Struggle

It is my impression that the ideological struggle in the LC in the past few years has been neglected on the whole and that many of our communist views have been watered down to such an extent that it is very difficult to determine who supports what and on what positions he stands. This causes us much harm, if it is continued it will be difficult to overcome the difficulties.

Although the situation in the Army depends to a great extent, and must depend, on the state of the subjective Army factor, it is natural that it is also constantly influenced by the situation in society. It means that all the mentioned and other negative occurrences in society could, in these complex socioeconomic and political conditions, have considerable influence that could erode the otherwise stable moral-political situation in Army collectives, unless we oppose it with direct political work with the people. Our success ultimately depends on the overall struggle and the results achieved in society.

Referring to the nationalist ourbursts that occur from time to time in certain communities, the president of the LC Committee in the YPA said:

The increasingly frequent nationalist outbursts and the increasingly open attacks by enemies of all stripes against the achievements of the revolution and our self-managing system justifiably cause indignation among the working people and citizens, as well as among YPA personnel, especially as nationalism is expressed in almost all spheres of life: in economics, ideology, and politics; in informaiton; even in sports and cultural events. Nationalism has taken root particularly massively, and I would say deeply, in clutural life and creative work, particularly in publishing activities, journals and the press, historical journalism, and historiography. All of us are most concerned that a part of the youth succumb more and more to indoctrination from the positions of nationalism and clerical nationalism. Unfortunately we can see that there are nationalist even in the LCY ranks and that measures are not taken against them in time, but usually after the event, when they have caused some harm to the LCY and society. In this respect there is opportunism in some LCY leaderships, and this inflicts great damage on the party and the society.

The Army personnel follow and analyze all the negative trends in society, and in the individual communities and regions, and evaluate their effect on the moral and political unity of Army collectives. Of course, there are also reflections of the negative phenomena in society among Army personnel, especially the soldiers. This imposes the need for fuller and more patient political and educational work.

On the topic of youth, the main question is not how to solve the numerous problems of the young generation but how to ensure their adequate participation in economic, political, and social life. It is nothing new to say, indeed, that unless work is the measure of man's material and social position, the socioeconomic position of youth will worsen.

The implementation of the policy of economic stabilization constitutes one of the top-priority tasks of all Communists and YPA personnel.

It is quite certain that the present confrontation with the ever more grave disturbances in social reproduction and economic trends, inflation, and further aggravation of the internal and external liquidity situation, will have a considerable influence on the pace of the building and the level of modernization of our Armed Forces, as well the improvement of the standard of living of YPA personnel. Therefore all the LC organizations, commands, and other factors in the YPA constantly find new ways and forms to carry out all the basic tasks with the available means, in which there is a decrease because of inflation and other negative trends in the economy, and of ensuring a proper level of combat readiness of our Armed Forces.

We have endeavored in this year to stop a further fall in the standard of living of the YPA personnel. Nevertheless, this is difficult to achieve in the present conditions of galloping prices, inflation, and other troubles that pester us. The standard of living of the YPA personnel has deteriorated because the volume of housing construction in the YPA has been reduced, and because 47 percent of families live on one personal income, because the employment of family members, especially children, is made very difficult. In this serious situation in society it is therefore one of the key and priority tasks of the Communists in the YPA to preserve and to further enhance the moral-political unity of Army personnel.

Despite all this I believe that I am justified in saying that we Communists in the Army and Army personnel in general are not pessimists. We believe that the LCY, the working people, and all our people, have sufficient strength, as well as a solid material foundation, to go forward and to gradually eliminate everything that hinders them, Georgije Jovicic said.

ASSEMBLY CLEARS WORKER OF KOSOVO CHARGES

AU031654 Belgrade BORBA in Serbo-Croatian 18 Dec 85 p 3

[C. Kesic report]

[Excerpts] Belgrade, 17 Dec -- Our investigatory, judicial, and other appropriate organs needed almost 8 full months to clear the same of Djordje Martinovic, a worker in the Yugoslav People's Army Hall in Gnjilane, and to challenge the official statement made by the Secretariat for Internal Affairs of the Socialist Autonomous Province of Kosovo and by the Gnjilane District Public Prosecution Office, according to which on 1 May of this year Djordje Martinovic inflicted grievous bodily harm to himself as a mentally and sexually deviant person whose intentions were to spread hatred among Serbs, Montenegrins, and Albanians in Kosovo.

Mistakes

Gojko Prodanic is president of the Federal Executive Council's working group which prepared a report on the Martinovic case at the request of the Federal Chamber.

He said today at the meeting of the Administration of Justice Committee of the Federal Chamber of the SFRY Assembly that this kind of assertion was materially unfounded and that it was without evidence. Gojko Prodanic's assessment, as well as the assessment of the delegates of this working group, is that the statement made by the Kosovo Secretariat for Internal Affairs and the Gnjilane District Public Prosecution Office significantly influenced the investigation, that it created anger and dissatisfaction in the public, that it inflicted a serious blow against our judicial system, and finally that it cast doubt in the world on the human freedom that is enjoyed in our self-managing socialist society.

The second interesting piece of news about the Martinovic case is that there are no criminal proceedings against anybody in this case, and the third or perhaps the fourth analysis of the medical experts is not completed yet.

The Administration of Justice Committee delegates concluded at the end that the Federal Executive Council's report should be supplemented within 7 days at the latest, and that this report should be discussed at the meeting of the Federal Chamber scheduled for 27 December. Meanwhile this working body as well as the Internal Policy Committee will hold discussions in order to end this unpleasant case.

SAWP COUNCIL STRESSES RIGHTS OF RELIGIOUS GROUPS

LD121002 Belgrade TANJUG in English 1924 GMT 11 Dec 85

[Text] Novi Sad, Dec 11 (TANJUG) -- The Orthodox Priests' Association of the Yugoslav Province of Vojvodina has categorically condemned clericalism and clero-nationalism and has expelled from its ranks those priests who on whatever occasion took a negative stand towards the self-management and nonaligned community of Yugoslavia.

This was stated by the association's spokesman Veselin Petrovic at today's session of the Socialist Alliance provincial conference's Council for Cooperation with Religious Communities. The Socialist Alliance, the country's largest socio-political organization, cooperates with religious, cultural and other institutions in Yugoslavia. At its session today, the council reviewed the activities of religious institutions in the province.

In the debate, attention focused especially on the attempts by certain religious circles to call into question the rights of the religious communities and implementation of the constitutional principles guaranteeing the freedom of religion. Such false dilemmas are contradicted by everything achieved in this sphere so far.

For example, ten different religious communities legally existed in Yugoslavia in the period between the two world wars. Today, 35 religious communities are pursuing their religious activities in 1,100 churches in Vojvodina alone. After the Second World War, over 150 new churches were opened and 315 other religious buildings reconstructed or restored, 38 new cultural facilities and 25 parochial and district church halls were built.

Despite the full freedom of religion, however, examples are not rare of religious institutions' and individuals' extending their activities beyond the bounds of religion and the church, or of abusing this freedom.

CATHOLIC CHURCH OCCUPIES 'FAVORABLE' POSITION

LD241152 Belgrade TANJUG Domestic Service in Serbo-Croatian 0935 GMT 24 Dec 85

[Text] Ljubljana, 24 Dec (TANJUG) -- In his interview to the Ljubljana DELO, Archbishop and Metropolitan Dr Alojz Sustar described the position of the Catholic Church in Slovenia as relatively favorable. In this assessment, he said, "I rely on my knowledge of the situation in other countries, especially in West Europe, and partly in Eastern Europe as well. Compared with them, the position of the church in our country is relatively favorable. In this context I should particularly like to emphasize the word "favorable" because I am conscious of the extent of the progress made during the past 3 decades and the extent to which the situation is favorable compared with many other countries."

Several examples in Slovenia confirm my assessment, stressed Dr Sustar. Since I took over the leadership of the Slovene metropolitan area, there has been no major misunderstanding or tension with the representatives of our society, nor have there been any sharp polemics. This is a good sign because it demonstrates that despite different views, in this society we can talk openly.

Continuing his conversation, Dr Sustar listed several examples illustrating his assessment and stressed that for all this considerable tribute must be paid to the Commission for Regulations With Religious Communities of the SR of Slovenia.

SAWPY DOCUMENT LISTS PLAN IMPLEMENTATION TASKS

LD171454 Belgrade TANJUG Domestic Service in Serbo-Croatian 1600 GMT 15 Dec 85

[Text] Belgrade, 15 Dec (TANJUG) -- The struggle against the causes of a high level of inflation, which is the key task during the upcoming period, must be fought primarily by increasing production and labor productivity, by lowering costs, by reducing overhead, and by stepping up the responsibility regarding the implementation of development objectives.

This, among other things, is stressed in the SAWPY Tasks in the Implementation of the Yugoslav Social Plan During the Upcoming Year and in the 1986-1990 Period, adopted at the last session of the SAWPY Federal Conference. The document points out that this Socialist Alliance activity is part and parcel of the preparations for the 13th LCY Congress and for the congresses of other socio-political organizations and also of the implementation of the stabilization program. For this reason it must apply to all social structures.

The Socialist Alliance will persistently work for a constant growth of production and such a distribution of the national income as will halt any weakening of the material basis of associated labor. Special efforts will be made to ease the burden of the economy from excessive dues, rescheduled debts, and creation of other conditions in which the degree of self-finance of social reproduction can constantly be increased.

All budgets, including the federal one, must be brought into line with realistic income so as to prevent the share of budget expenditure in the national income from going up again next year, the document stresses. It goes on to add that the SAWPY "will commit itself to the de-statization of social reproduction and to reduce the role of all sociopolitical communities and other factors outside the economy to the level established for them by the Constitution."

It is particularly important, it is stressed, that joint development programs be adopted within the framework of the chambers of economy and of other associated labor associations, because this will ensure a rational use of social accumulation and faster economic growth.

The material position of every individual and of each organization of associated labor must depend on the revenue that has been earned and on the efficiency in the management of social resources. The organizations of associated labor which are unable to sustain these social criteria must change their production programs and management teams, opt for an overhaul, or go into liquidation.

The Socialist Alliance will try to encourage active social policy, primarily through intensified productive job creation efforts. In this context reference is made to the importance of faster territorial and border mobility on the part of the workers in accordance with actual regional requirements and to the policies that make it possible for everyone looking for a job, and especially those people who are coming back home from abroad, to create new vacancies through their own initiative, also by involving their own personal finance.

Every effort has to be made, it is stressed, to halt a fall in the standard of living, to make sure that everyone who is working can secure his livelihood, and to devise the solutions to protect the standard of living of the people on a low wage or on a low pension.

Taxation policy must make sure that every citizen will fulfill his obligations for general and joint requirements, commensurate with his economic strength, which should arrest further stratification of our society. In this context stress is laid on the importance of stepping up the work of tax inspectorates and of other control organs so that taxation policy can be consistently carried out and social property protected.

The Socialist Alliance, the conclusions say, must, without hesitation, bring up issues of political responsibility and replacement of those organs and individuals in associated labor, ranging from the municipality to the federation, who do not carry out the jointly agreed policy. The SAWPY will work for theimplementation of the agreed development policy to be discussed regularly, and at least once a year, so that any possible problems relative to implementation can be resolved on a rapid basis.

DEBT RESCHEDULING AGREEMENT SIGNED IN NEW YORK

LD190545 Belgrade TANJUG in English 0038 GMT 19 Dec 85

[Text] New York, December 18 (TANJUG) -- Yugoslavia today signed a four-year financial agreement with an international bank consortium on rescheduling 3.8 billion dollars of medium-term and long-term debts. Prior payment of some 44 percent of the 600 million dollar loan granted to Yugoslavia by the International Banking Consortium in 1983 has also been regulated.

The agreement was signed in the headquarters of the Manufacturers Hanover Trust bank, the presiding member of the consortium's coordinating committee.

The 3.8 billion sum falling due between January 1, 1985 and December 31, 1988, will be rescheduled as an eleven and a half year loan with a five-year grace period.

Yugoslav Finance Minister Vlado Klemencic said in New York that the four-year accord was an improvement on the earlier agreements which were concluded for a year's period. The new accord is more favourable than the previous regarding the terms and contents as well. Klemencic assessed that the document is in accordance with Yugoslavia's financial policy which foresees the creating of conditions for the normalization of foreign liquidity in the near future, and the executive vice-president of the Manufacturers Hanover Trust McCouch also shares this opinion.

Klemencic said that the agreement demonstrated the bank's confidence in Yugoslavia's ability to reach the targets foreseen. This derives from the fact that Yugoslavia timely meets its foreign obligations, the principal and interest alike, that it is one of not so many countries which maintain normal relations with the International Monetary Fund, and that for three successive years it has recorded a balance of payments surplus.

KOSOVO CITES RESERVATIONS ON FEDERAL BUDGET

LD271833 Belgrade TANJUG Domestic Service in Serbo-Croatian 1435 GMT 27 Dec 85

[Text] Belgrade, 27 Dec (TANJUG) -- The Kosovo delegation expressed its reservation at the size of the federal budget for next year until the Federal Executive Council (FEC) suggested a way whereby Kosovo is insured an additional 7.9 billion dinars in supplementary funds for social and other services. All the other delegations in the Chamber of Republics and Provinces Finance Committee agreed that the size of the federal budget in 1986 should amount to 1.103 billion dinars. Agreement was reached reluctantly, because, according to the delegated, the budget is so big that putting it into effect will cause very great problems.

Kosovo's demand, which is attributed to its difficult material position of social and other services, and its great backwardness in terms of the consumption of these services compared to the average for the country, put the committee in a difficult situation. Kosovo is not saying whether it wants an increase in the size of the budget, which at this moment is improbable, or a reapportionment of the funds within its present limits, on which the committee is not competent to make a decision. The distribution of budget funds to beneficiaries falls under the Federal Budget committee of the Federal Chamber, which has not yet had an opportunity to consider it, because it is waiting for an agreement on the size.

The committee will meet again when the FEC prepares a written stance to Kosovo's demand. The FEC representative, however, raised the question of whether Kosovo's demand means advocating, as early as the first year of the coming medium-term period, defiance of the law on supplementary funds for the less well developed republics and Kosovo, a solution to which, when it has been agreed, will be steadfastly implemented in the federal budget.

KOMUNIST EXAMINES TIES WITH BALKAN NATIONS

LD070737 Belgrade TANJUG in English 0710 GMT 7 Dec 85

["Patience and Perserverence Lead to Successful Cooperation" -- TANJUG headline]

[Text] Belgrade, Dec 7 (TANJUG) -- Yugoslavia's dynamic activity towards it neighbours in November, together with all that had been achieved over the previous months, speaks volumes about Belgrade's constant efforts for the promotion of relations in this part of the world, the Belgrade weekly KOMUNIST writes in a commentary. KOMUNIST stresses that it is this patience and perseverence that create conditions for solving "open and conflicting questions".

Last month, Yugoslav Prime Minister Milka Planinc met with the prime ministers of Romania and Bulgaria, the tenth anniversary of the Osimo Accords was prominently observed in Rome and Belgrade, and Yugoslav Secretary for Foreign Trade Milenko Bojanic visited Albania. To this should be added the forthcoming visit to Yugoslavia of Greek Prime Minister Andreas Papandreaou.

KOMUNIST assesses that observers of developments in the Balkans followed with special interest Yugoslav representatives talks with Bulgarian and Albanian officials. This is understandable, writes the weekly, in the light of the existing difficulties in Yugoslavia's relations with these two Balkan states. During their talks, Milka Planinc and Grisha Filipov expressed determination that relations between the two countries should further develop without any stipulations, and also readiness for conditions to be created for dealing with "questions outstanding".

Real, that is to say, effective talks on all that burdens Yugoslav-Bulgarian relations are proving growingly necessary, KOMUNIST maintains. This would "reflect positively on consolidation of cooperation in all fields and would bring nearer and make more realistic the idea of the Balkans as a zone of peace and cooperation, without nuclear weapons", the weekly assesses.

Referring to Milenko Bojanic's visit to Tirana, KOMUNIST stresses that Yugoslavia wants to develop with Albania, as with other countries, equality based cooperation, unhampered by anything. In this, the weekly adds, Yugoslavia takes as its point of departure principles already accepted in international relations -- respect for independence, sovereignty, territorial integrity, reciprocity, non-interference in the internal affairs of others. This, KOMUNIST writes, is the only way for surmounting problems existing in Yugoslav-Albanian relations.

Writing about the results of the visit of the Yugoslav Prime Minister Milka Planinc to Bucharest, KOMUNIST points to very good cooperation and relations between the neighbours and notes that the talks on this occasion focused on the economic aspect of bilateral relations, particularly on strenthening industrial cooperation ans specialization between economic subjects in the two countries.

Those who take documents signed immediately after the Helsinki conference as exemplary of how inter-state relations should be regulated, particularly between countries sharing a common border, are quite right, KOMUNIST goes on to add. The decade which has elapsed since the Osimo Accords were signed has confirmed the farsightedness of their creators, the weekly maintains.

Yugoslavia and Italy have resolved all questions of importance in their mutual relations, including those notoriously the most diffiuclt regarding the common border, in a peaceful, friendly and good-neighbourly manner. For this reason, KOMUNIST writes, Osimo remains a lasting inspiration to all those who value closeness among peoples, nations and states.

An awareness of this is present in all Yugoslavia's contacts with the world, particularly with the neighbouring countries, KOMUNIST writes in conclusion of the commentary.